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25 June 1982

CHINA REPORT
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NATIONAL POLICY AND ISSUES

'JINGJI GUANLI' ON ECONOMIC RESPONSIBILITY SYSTEM

HK091003 Beijing JINGJI GUANLI in Chinese No 4, 15 Apr 82 pp 20-21

[Article by Zhou Guanwu [0719 0385 0063], "Some Relations Must Be Handled Well in Order to Practice the Economic Responsibility System"]

[Text] In his report on the work of the government, Comrade Zhao Ziyang pointed out: "In the past, the defect of the economic system of our country was the overconcentration of power in the field of management, hence there was no distinction between politics and enterprise. In the field of distribution, the defect was eating out of a big pot and egalitarianism." The planned economy and distribution according to work are all socialist economic laws. The problem is that in the past, enterprises under the system of socialist public ownership were not recognized as units of commodity production, nor was the function of the law of value recognized. Therefore, power was overconcentrated and the enterprises were stifled. Enterprises were originally the cells of the national economy and the massed production power was organized strictly. They should be most active. Nevertheless, it was impossible for enterprises to be active as they had little power.

The economic responsibility system means, under the guidance of the socialist planned economy and through the integration of responsibility, power and interest, a great reform is conducted in the management system of enterprises. This reform aims at rectifying the two above defects and fully arousing the enthusiasm of the staff and workers and enterprise so as to raise the economic effect and make the enterprise more active. It is not only in conformity with the requirements of socialist economic law, but also in conformity with the requirements of the law of value on the commodity economy.

1. The Relations Between the Interests of the State, Collective and Individual Staff and Workers

We must persist in putting the interests of the state in the first place. Without the interests of the state, there would be no fundamental interests of the collective and individual. Therefore, we must be sure to carry out the task assigned by the state in accordance with time schedule, quality and quantity. Only like this can there be autonomy in enterprises. Moreover, the products of the autonomous enterprise must also meet the needs

of the state and the society. We cannot adopt a policy of more production if it is more in our interest, less production if it is less in our interest and no production if it is not in our interest. This is defined by the aim of socialist production. It is also the obligation that an enterprise has to undertake. We absolutely cannot abuse the autonomous power of enterprises and go against regulations and laws, proceeding on an oblique road and adopting wicked ways.

Whether the targets and quotas set by economic responsibility are advanced or reasonable is a matter directly concerning the interests of the relations between the state, the collective and the individual. The target must be set on the basis of the average advanced level. An advanced target will certainly stimulate work. Some targets higher than the average advanced level, which can be attained through strenuous efforts and creating conditions, are to be set according to requirements.

2. The Relations Between Strengthening Scientific Management and Relying on the Masses

The process of practicing the economic responsibility system is a process of reorganizing enterprises. All the professional management of enterprises certainly has to be strengthened. It is worth special notice that the strengthening of management work cannot be carried out by a few professional management personnel, but by the broad masses of workers. The economic responsibility system has created a new situation for the management of enterprises by the masses. Because economic responsibility at different levels not only comprehends the contents and requirements of all professional management work, it should also be carried through to different levels from the factory and mine to the office, from the workshop to the office, and from the group to the individual. The main point is that economic responsibility must be carried through to a definite individual. Targets should be set for everyone, everyone should take up the task, and everyone should share the interest, thus bringing into full play everyone's responsibility as being their own master and arousing the enthusiasm of everybody. By carrying through all the management work of enterprises to definite individuals, the management of enterprises will be solidly based on the masses. Meanwhile, economic responsibility, being carried through to every individual, comprehends the need of coordination between positions and processes. All management activities in various aspects of enterprise production are therefore integrated like a chain and enterprises will be in better order.

3. The Relations Between Promoting the Economic Responsibility System and Reorganizing Enterprises

While practicing the economic responsibility system, we must step up the reorganization of enterprises and regard the economic responsibility system as a promotive power in the overall reorganization of enterprises. To carry out this, it is imperative to simultaneously grasp the work in these two fields, as shown in the case of the Shoudu iron and steel works. Proceeding from the works of practicing economic responsibility, plans for guarantees and contract work should be made at different levels, including

every requirement of targets for production, technology and business. All the above-mentioned work must be linked with economic interests. Prizes should be awarded for fulfillment and fines imposed for failure to fulfill contracts, so as to build up the economic responsibility system at different levels. Meanwhile, we must grasp the work of data management, carry out the task of census and examination in respect of the requirements of every target as defined by the economic responsibility system, and provide the principle of distribution according to work with evidence and proof.

To grasp the above work well means carrying through economic responsibility. With the strengthening of these two aspects of basic work in enterprises, namely the responsibility system and data management, the principle of distribution according to work can thus be carried out, the enthusiasm of the workers can thus be aroused and the overall reorganization of enterprise management can certainly be pushed forward step by step.

4. The Relations Between Reform and Inheritance

To proceed on the new road of the economic responsibility system with the integration of responsibility, power and interests, has brought up a series of new reforms in all the professional work of enterprise management.

Nevertheless, we cannot abandon the whole of the management profession built up in the past. The reform of the management profession must be conducted on the basis of what has gone before. For instance, the post economic responsibility system is the substantiation and development of the previous post responsibility system. Many requirements in the field of production, technology and business in the previous responsibility system should be inherited. The defect of nuclear requirements and tests in respect of the economic responsibility system and the loose association with the principle of distribution according to work must be rectified in the post economic responsibility system. Also, in the field of quota management, many new target and quota systems will be set up to raise the economic effect after practicing the economic responsibility system.

However, many previous quotas and data must be kept. Take the distribution of production as an example, after practicing the economic responsibility system, the professional plan of production should be changed to the professional plan of production and marketing. While having a good understanding of production status day by day, we must have a good understanding of the process of product order, product shipment, payment collection and profit-making. Nevertheless, many effective elements of the production distribution and command system from the past should be kept on. All in all, after practicing the economic responsibility system, the reform conducted in the management system of enterprises means, around raising economic effect, the necessary filling of contents and the making up of insufficient professional work. As for the previous management business, despite the inappropriate minority being reorganized, the majority should be strengthened. To practice the economic responsibility system means to redirect the management work of enterprises on to the new road of raising economic returns, upgrading it to a new level. It is absolutely not the method of assigning contracts for profits, increasing piece rate wages, and leaving the enterprise management profession alone.

5. The Relations Between Economic Methods and Administrative Leadership

The integration of responsibility, power and interest includes economic methods. Prizes should be awarded and fines must be imposed according to the extent of fulfillment of the economic responsibility system and on the amount contributed. More reward is given to units and individuals who make bigger contributions, less reward to those who contribute less, whereas there is no reward for those with no contribution. Furthermore, the economic responsibility system must also include the administrative duty and responsibility of various levels of leadership. We must not lay emphasis on economic methods, but neglect the importance of strengthening administrative leadership. Without strengthening the administrative leadership, the economic responsibility system cannot be carried out and kept on. Therefore, it is necessary to reorganize the leadership at various levels so as to meet the requirements of the economic responsibility system. We must do our utmost to improve the weak and loose status, dare to make strict demands, dare to impose strict and justified rewards and punishments, and dare to execute discipline. It is not good leadership if one dares not execute discipline.

6. The Relations Between Political Work and Economic Work

When practicing the economic responsibility system, we must keep up two promotive powers, namely economic power and spiritual power and build up the two civilizations, that is, material civilization and spiritual civilization. Recently, some people have thought that there is no political work to do since the practice of the economic responsibility system. This viewpoint is not correct. It is necessary to put ideological work in a leading position when practicing the economic responsibility system. Political work must be strengthened. We must make public the positive significance of the eight-character policy and the important significance of the economic responsibility system. We must carry out education on the relations of the interests between the three parts, and education on labor discipline, so as to solve various ideological problems of the workers in time. Around practicing the economic responsibility system, we must bring into full play the function of various leadership elements as our fighting fortress and the function of party members as advanced models. We must scrutinize the cadres, discover talented people and reorganize the leading bodies so as to meet the requirements of the economic responsibility system. Without powerful ideological work, it will be impossible to practice the economic responsibility system and step up the reorganization of enterprises in a correct way. The economic responsibility system has been practiced in the Shoudu iron and steel works only after following the instructions of the leading comrades of the Central Committee and the State Council. Though some work has been done, it is far from enough. Further upgrading and improvement are required. Plenty of work awaits us, which needs strenuous efforts.

NATIONAL POLICY AND ISSUES

REORGANIZE INDUSTRIES TO IMPROVE ECONOMIC RESULTS

Beijing RENMIN RIBAO in Chinese 20 Apr 82 p 5

[Article by Peng Hao [1756 8513]: "Improve Economic Results to Promote Economic Development"]

[Text] To achieve rationalization of the economic structure and assure a certain speed of economic development calls for the further implementation of the policy of readjustment, restructuring, reorganization and upgrading and the performance of work in many aspects. One key issue here is to vigorously improve the economic results.

Today, the economic results in our country are very inferior and the potentials for their improvement very great. In terms of the utilization of fixed assets, when 1979 is compared with 1957, the fixed assets of state industries were 10.2 times greater, while the total industrial output value was only 6.7 times and the net industrial output value only 5.5 times greater. In 1979, the total industrial output value of 103 yuan realized per 100 yuan of fixed assets dropped 25 percent from the 138 yuan of 1957, and the profits tax realized per 100 yuan of fixed assets also decreased from the 34.20 yuan of 1957 to 24.90 yuan, a loss of 27.2 percent. The fixed assets utilization rate of state industries continued to fall in 1980. In terms of the utilization of circulating funds, the circulating funds tied up per 100 yuan output value of state enterprises in 1979 was 31 yuan, an increase of 59.8 percent over the 19.40 yuan of 1957. If the circulating funds of goods and materials supply and marketing enterprises are taken into account, then it became 40.80 yuan tied up per 100 yuan industrial output value, an increase of 72.9 percent over the 23.60 yuan of 1957. The prolonged turnover of circulating funds in China is mainly due to the increase in the excessive overstock of goods and materials. In terms of products cost, when 1979 is compared with 1966, pig iron rose 39 percent, synthetic ammonia 29.8 percent, "Jiefang" automobiles 31 percent, hydroelectricity 31.9 percent, thermoelectricity 31.1 percent, sulfuric acid 33.2 percent, 21-count yarn 13.7 percent, and newsprint 9.5 percent. Computed according to the range of the increase in cost and the current production scale, the revenue of the state, due to the rise in cost, is approximately 10 billion plus yuan

less. In terms of capital construction, the rate of availability for use of popular ownership fixed assets (ratio between the newly added fixed assets and the investments of the current year) at the end of 1980 was 76.7 percent, much lower than the 83.7 percent of the first 5-year plan period. At the end of 1980, capital construction projects under construction tied up more than 75 billion yuan in funds, equal to 140 percent of the total investments of the year and much higher than the 63 percent of the first 5-year plan period. Thus computed, the funds tied up at present in projects under construction are 40 billion yuan more than the need of normal turnover. In the 3 years between 1978 and 1980, every 100 yuan of productive accumulation added 42 yuan to the national income, or 18 yuan less than the first 5-year plan period, and the annual reduction in income was approximately 10 billion plus yuan.

The poor economic results are due, to a large extent, to the irrational economic structure. Here we propose improving the economic results to promote the readjustment of the economic structure and assure a certain speed of development. Is it possible? We feel that it is. Though conditioned by the economic structure, economic results are also affected by many other factors. Besides readjusting the economic structure, improving the economic results also calls for the performance of work in many other aspects. Currently, we can devote our effort to the following aspects to improve the economic results.

First, those enterprises of high consumption, inferior quality and large losses should be shut down, suspended, merged or converted. As a result of blind development, a considerable number of our enterprises, over an extended time, has not only failed to create wealth for society, but wasted large amounts of social wealth. Their products are either not in demand or of inferior quality, and they suffer from high cost and protracted losses. The problem is that, currently, the situation of blind development is still found in some areas. We must not only firmly correct the situation, but also shut down or suspend those enterprises whose production is extremely backward which call for such actions. Some enterprises struggle along and drag on. It is preferable to shut down those enterprises whose energy use efficiency is inferior and transfer the energy to others whose consumption is low and whose products are superior in quality and in urgent demand, so that they can produce at full steam.

Next, the existing enterprises should be reorganized. Currently, the chaotic management, lax labor discipline and severe waste of money and material of a fairly large number of enterprises are one important reason for the poor economic results. Many enterprises lack advanced rational norms on raw and processed materials consumption, man-hour utilization, equipment utilization, tool and fixture consumption, and expenditures; stringent and accurate accounts of the raw and processed materials, semi-finished products, parts and components, and finished products, and the procedure of signing them in and out of storage; all kinds of firsthand records and statistical data on the process of productive operation. Some

enterprises violate state provisions on the limits of cost disbursements, carelessly crowd and spread out the cost, and infringe on state revenue. Others are extravagant and wasteful, giving parties and gifts, and squandering state funds and social assets. If such situations are not rectified by means or reorganization, it will be difficult to gain the proper result in cost reduction. Currently, we have an energy shortage, yet some enterprises fail to exercise rudimentary management on the use of energy. As indicated by large numbers of facts, if we conscientiously perform the work of enterprise reorganization, the economic results will show a remarkable improvement.

Thirdly, operation and management should be improved. Operation and management produce a very important effect on the economic results. When the operation and management are good, the economic results will be good. This point can be fairly and clearly illustrated by comparing the economic results of state industries in Shanghai with the national results. For the year 1979, compared with the national averages, Shanghai was approximately 1.8 times greater in output value per 100 yuan industrial fixed assets, approximately 2.1 times greater in profits tax realized per 100 yuan of funds, and approximately 42 percent lower in circulating funds tied up per 100 yuan industrial output value; funds recovery was 15 months in Shanghai, 33 months shorter than the national average of 48; the labor productivity of the entire industrial personnel was 30,000 yuan in Shanghai, 1.5 times greater than the national average; the average national income created by the industrial staff and workers in Shanghai was 7.673 yuan, 1.2 times greater than the national average. Naturally, the better economic results in Shanghai have many factors, but they are indivisible from its high level of operation and management. To improve operation and management, the enterprises must be skillful in operation as well as management. Having overlooked operation in the past, we must give it serious attention henceforth. Not just the enterprises, but the entire national economy and all areas and all departments must pay attention to operation and management, for only thus will the macroscopic, as well as the microscopic, economic results be enhanced.

Fourthly, the technical remolding of equipment should be pursued according to plan and importance. Our long neglect of the technical remolding of equipment in the past was also an important factor leading to the poor economic results. Currently, among the fixed assets of the industrial and communication enterprises throughout the nation, approximately 25 percent is on extended service. In many enterprises, the equipment is old and the technology backward, resulting in inferior products and high consumption. Due to the aging of equipment, the metallurgical, chemical and building material industries consume an extra 20 to 30 million ton of standard coal per year. As a result of the obsolescence of a large number of equipment, a group of old enterprises finds it difficult even to maintain simple reproduction. Some chemical plants, for instance, use equipment which is seriously pollutive and have difficulty in continuing production. In terms of technical conditions, while the equipment of some enterprises is relatively advanced, the technical level, as a whole, is

fairly low. Most of the equipment of the machine industry, for instance, dates from the fifties, and many of the equipment of light and textile industries are pre-liberation. The relatively inferior means of measuring and experimenting of many enterprises and research units are a crucial factor at present for the failure of our machine products to show improvement. Therefore, while fully utilizing the existing equipment and technology, we must pursue the technical remolding of equipment. It will not only enliven heavy industry, but also enhance the economic results.

Lastly, we are now in the course of carrying out the reform of the economic management system. When this task is properly completed, it will promote the improvement of the economic results. Today, we must conscientiously summarize our experience in the reform of the economic system in the past few years, study the new conditions and solve the new problems. We must subordinate the reform of the economic management system to readjustment, and make it benefit readjustment, and form all the reform measures into complete sets, so that they will raise the enthusiasm of the enterprises and the staff and workers, facilitate the planned guidance of the state, and promote the improvement of the macroscopic and microscopic economic results.

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ECONOMIC PLANNING

JIANGSU GOVERNOR CITES GAINS, STRESSES NEED TO CONTINUE ACHIEVEMENTS

Gains in 1981

Nanjing XINHUA RIBAO in Chinese 1 Apr 82 p 1

[Article: "The National Economy in Jiangsu Province Is Being Readjusted in a Favorable Political and Economic Climate"]

[Text] Reporting to the Fifth Session of the Fourth Provincial People's Congress on the work of the Jiangsu Provincial People's Government, Governor Hui Yuyu [1920 3188 1342] disclosed that readjustments of the national economy in the province were carried out according to schedule and in a favorable political and economic climate during the past year.

1. Stable Development of the Agricultural Economy. Despite a spate of natural disasters, especially Typhoon No 14, which struck the province during the past year, bumper harvests were recorded in agricultural production. The total value of agricultural production came to over 16.03 billion yuan, or 9.2 percent over the figure for the previous year. The total amount of food produced came to 46.58 billion jin, or 3 percent over the amount for the previous year. Both cotton and oil production exceeded 11 million dan while the amount of silkworm cocoons, tea and aquatic products exceeded the highest record in history. The number of pigs being reared has begun to move up. Even in the economically backward region north of the Huai River, agricultural production has shown a noticeable increase and assumed a new look. Food production showed an increase of 1.32 billion jin in the Huaiyang region and an increase of 580 million jin in the Suzhou region. Cotton production increased by over 1.8 million dan in the Yancheng region which also produced more than enough food for its own need. While the value of agricultural production in the province showed an increase, the cost of agricultural production declined by an average of about 3 percent. Preliminary readjustments and improvements were introduced in the commune and brigade enterprises and new developments were brought about in certain localities. All the 46 enterprises under the land reclamation project registered surpluses. As the agricultural economy throughout the province showed an upturn and the income of commune members began to climb, there was a feeling of elation in the hearts of the people. The vast changes in the outlook in the rural areas may be attributed to the enormous authoritativeness of the line, policy and principle of the party since the 3d Plenary Session of the 11th Party Central Committee.

2. Progress in Industries and Communications During the Period of Readjustment. During the past year, the total value of industrial production throughout the province came to 49.39 billion yuan, or 7.9 percent over the figure for the previous year. The increase in the light textile industry came to 16.2 percent while production in the heavy industries was better than expected in meeting the planned quota. The quality of some of the products continued to improve, and gold and silver trophies were awarded to 30 products. Progress was also made in the conservation of energy. While effort was made to develop the potential of the enterprises to the fullest, attention was also paid to the construction and the increased productivity of certain key projects. During the past year, two coal mines in our province were opened and put into operation. The construction of a network of power lines added to the number of transmission lines and transformer equipment. Seven large and medium-sized projects of the Alkyl Benzene Factory in Nanjing and the Xixia Mountain Fertilizer Plant were completed and put into operation. In the area of communications and transportation, good progress was made in achieving the targets in the transportation of passengers and goods, the loading and unloading of cargo in the seaports, the construction of engineering projects and in the work of maintenance. Basically, passenger traffic was opened between the communes in the rural areas. Transportation of goods by sea was actively developed. Progress was also made in the postal and telecommunication services while the work of environmental protection was further strengthened.

3. Budgetary Balance and Basic Stability of Commodity Prices. During the past year, a determined effort was made to scale down basic constructions. The amount of investment in basic constructions under the public ownership system in our province came to 1.77 billion yuan, or 32 percent below than that of the previous year. Sixty-two percent of that was accounted for by the reduction in investment under the budget of the province. A start was made to correct the over-extension of the basic construction battleline which had prevailed over a number of years. The financial receipts of the province came to 6,308,000,000 yuan and the key mission of the province was thus fulfilled. Financial disbursements were reduced by 510 million yuan compared to the previous year. The province also fulfilled its quota in the purchase of national treasury bonds and recovered delinquent taxes to the amount of 100 million yuan. Investments were reduced by over 200 million yuan compared to the previous year. As regards commodity prices, supervision was strengthened over price control and a number of movements were launched to check prices, to put an end to speculation and profiteering, to stop unauthorized price increases and to restrain the practice of increasing prices under false pretenses. At the same time, readjustments were made to commodity prices which were unreasonably high or unreasonably low. In order to stabilize prices, our province, aside from paying subsidies for grain, cotton, oil and coal, also paid reasonable amounts of subsidies for small farm implements, chemical fertilizers, certain small commercial products and certain foods and vegetables. The subsidies, which totaled 1.62 billion yuan for the year, helped to stabilize prices for the basic necessities of the people.

4. The Brisk Purchasing and Selling of Commercial Commodities and the Over-Fulfillment of the Foreign Trade Quota. During the past year, the amount of commercial commodities purchased by the province came to 22.2 billion yuan, or

5.7 percent over the figure for the previous year. The retail sale of commercial commodities totaled 16.8 billion yuan, or 8.7 percent over the figure for the previous year. While continuing to develop the leading role played by state-operated commercial enterprises, the province also paid due attention to the development of the role played by collective as well as individual commercial enterprises. Through developing commercial activities and the service industries and by increasing the number of commercial networks, the province also created more opportunities for employment in the cities and towns and offered more amenities to the masses. There was also new development in the export trade. The province has established commercial relations with over 130 countries and areas. During the past year, the total amount of export commodities purchased by the province exceeded the figure for the previous year by 4 percent while the amount of commercial commodities exported by private enterprises exceeded the figure for the previous year by 45.5 percent.

5. Progress in the Scientific and Technical Field and in Various Commodity Projects During the Period of Readjustment. Upholding the principle of using science and technology to develop the economy, the province broke new ground in scientific research and in achieving a higher standard and greater economic benefits by increasing the variety of crops, by developing the light textile and electronic industries, by conserving energy and by making use of tidal power. Most of the projects are approaching the productive stage. During 1980 and 1981, 660 scientific research projects were given citations by the provincial government while 530 projects were extended. In the field of agriculture, a series of experiments have been made in the technique of cultivating high-yield crops. By taking advantage of its various assets, the province made outstanding achievements in agricultural and animal husbandry production. Research was done in the development of new textiles and a start was made to manufacture new projects in place of the old. Following the adoption of the responsibility system, the desire on the part of large numbers of villages and industrial and mining enterprises to study and to adopt scientific methods reached a fever pitch. The scientific and technical departments as well as the academic bodies have initiated various forms of academic exchange and a variety of activities to promote the popularization of science among the masses. A start has also been made to provide information service of a technical nature and contracts have been signed for the undertaking of scientific research and the exchange of technical information. A considerable amount of work was done by the province in the implementation of the policy toward intellectuals. The province has evaluated the work of and given correct titles to the technical cadres engaged in the industries and the agricultural and scientific research departments. At the same time, much was done to select, to train and to make good use of young and middle-aged scientific and technical personnel.

In the field of education, progress was made to enforce universal elementary education and to upgrade kindergarten and nursery school education. The system of middle school education is in the process of being strengthened in a positive and stable manner while the reform of the middle school education structure is being extended step by step on an experimental basis. The work of readjusting the distribution of institutions of higher learning and of the establishment of vocational schools is going on apace. The number of students

enrolling in various types of spare-time schools has greatly increased. The need to develop a corps of rank-and-file teachers is being given the attention it deserves. Ideological and political work in the schools has been reinforced. The quality of education has been improved. The number of "three good" students (good in character, intellect and health) is on the rise. In the field of public health, the incidence of most infectious and endemic diseases has to various degrees been reduced as a result of the improved quality of medical care; a better attitude of service; and readjustment of and putting in order the structure for medical care and public health; the training of medical and nursing personnel and public health cadres; and the improvement of the standard of management and the quality of the corps of rank-and-file public health technical workers. Public health has taken on a new look following the launching of patriotic public health campaigns in the cities and rural areas. In the field of physical education, athletic activities involving the masses in the cities and rural areas have been further developed and the technical athletic standard has been greatly advanced. In major athletic competitions at home and abroad, the outstanding athletes of the province have garnered 100 gold, 64 silver and 69 bronze medals. Progress was made in the cultural, publishing, newspapers, broadcasting and television fields. In the enforcement of birth control, use was made of persuasion to educate and to appeal to the minds of the people to reduce the high birth rate. The past year has witnessed an increase in investments by the financial departments of the state and the local governments in various social projects. Completed basic construction projects in education and public health totaled 450,000 square meters in area. Improvement was also made to the premises and equipment.

6. Continued Improvement in People's Livelihood. During the past year, the average collective distributed income and income from subsidiary household industries for each commune member came to 200 yuan, or 40 yuan over the amount for the previous year. There were 682 brigades, and ½ times more than the previous year, whose average per capita collective distributed income exceeded 300 yuan. There were 16 counties (regions) whose average per capita collective distributed income exceeded 200 yuan. Even in the traditionally impoverished counties, the per capita distributed income registered a significant increase during the past year. Due to wage readjustments, the pay for public primary and middle school teachers, certain medical workers and people engaged in physical education also showed an increase. By adopting various measures, the cities and towns were able to find employment for over 370,000 people. Importance was attached to work in children's and women's welfare. Thanks to the efforts made by the various parties concerned, the cities and towns throughout the province completed over 6.5 million square meters of housing. Housing construction in the rural areas, totaling over 40 million square meters during the past year, also showed a rapid increase. More improvement was made than the previous year in such public services as transportation in the cities, water supply and the commercial network. In the course of the past year, sustained efforts were made to improve the supply of vegetables. The suburbs were told to take upon themselves to do a good job of growing vegetables and to increase their production. Control was strengthened over the market for agricultural products and a stop was put to the practice of selling vegetables at unreasonable prices. As a result, there

was an improvement in the production and supply of vegetables. The total amount of savings by the people in the cities and villages came to 3 billion yuan, or 28 percent over the amount for the previous year. Seventy-seven million yuan was allocated for social relief projects to alleviate the hardship suffered by those communes, brigades and families in financial straits and to enable them to engage in production without having to worry about their livelihood.

7. Improvement in Public Security in the Cities and Villages. During the past year, close coordination was established by political and legal authorities to make the masses their allies in strengthening public security; to deal severely and promptly according to the law with criminal elements who seriously endanger public safety. Each and every criminal has been dealt with separately according to the severity of his crime.

The internal security of many units took a decided turn for the better as a result of extensive efforts to engage in propaganda work concerning ramifications of the law, to strengthen the handling of matters involving public security and to stress the importance of the internal security responsibility system in the factories, offices and schools. Repeated announcements were made by the provincial government concerning the surrender of weapons and the prohibition of gambling and activities which smacked of feudal superstitions. By mobilizing various social forces, the province was able to prevent and to reduce the incidence of crime and the rate of major crimes, repeated crimes and crimes of a general nature. As a result, the social climate was greatly improved and the feeling of security on the part of the masses was greatly strengthened. Improvement was made in the work of reform through labor and education. Progress was also made in educating, reforming and helping young people who had fallen into evil ways. The work of developing a corps of public security and judicial personnel was strengthened. Relations between the police and the people were improved. The fine tradition and work style of the political and legal authorities were restored and further developed.

8. Strengthening of the Government Establishment. Up to January of this year, the people's governments of 108 municipalities, counties and municipal wards have been elected and set up. The communes and townships have also established commune management committees and township people's governments. The governments at the various levels make regular reports to the standing committees of the people's congresses of the same level and submit to their supervision. In line with the principle of the system of democratic centralism, the governments at various levels have begun to establish and to put into practice a program governing the democratic way of life and the normal work order to improve the work style and upgrade work efficiency. The provincial government has acted on all the proposals handed down by the representatives of the provincial people's congress last year, strengthened the work of responding to the written and oral requests of the people, brought an end to difficult problems which had long defied solution, and established closer relations with the masses.

The province has done a great deal of work in lending its support to the armed forces and according preferential treatment to the families of the military, in finding employment for military retirees and in such fields as the people's militia, civil defense, tourism, overseas Chinese affairs and religion. It has also broken new grounds in developing friendly relations with foreign countries.

Our province has begun to chalk up new gains in the implementation of the two "going a step further" guidelines as a result of the joint efforts made by the large number of cadres, members of the working class, peasants, intellectuals, patriots and the commanding officers of the military units of the Chinese People's Liberation Army stationed in Jiangsu Province.

In his report, Governor Hui Yuyu stressed the fact that our achievements under such favorable circumstances are beyond dispute. However, we must avoid being overcome by a feeling of complacency. On the contrary, we must be fully aware of the real difficulties confronting us and be prepared to face the problems, especially those of leadership, that exist in our work. Regarding economic readjustments which are central to the work of the provincial government, there are not only shortcomings in the way we go about our normal activities, but also deficiencies in leadership. First, we have failed to appreciate fully the fact that an increase in economic benefits is of crucial importance in our economic endeavors. Second, we have failed to adhere firmly to the principle of giving top priority to the planned economy and secondary importance to market adjustments. Third, there is a lack of overall planning and coordinated development among the various construction projects. We strongly feel that the existing structural system and the ideological style of leadership fall far short of the standard necessary to cope with the exigencies of the new situation. Our provincial government, the various departments on the provincial level and the various local government offices are seriously plagued by bureaucratic practices. This is a problem which greatly impedes our forward progress. It is only when we are determined to find an effective solution to this problem that we can proceed with our four modernization construction projects without impediment or hindrance.

Continue Steady Gains

Nanjing XINHUA RIBAO in Chinese 2 Apr 82 p 1

[Article: "Jiangsu Governor Stresses Need To Achieve Steady Gains in National Economy"]

[Text] In his report on the work of the government to the Fifth Session of the Fourth Provincial People's Congress, Governor Hui Yuyu [1920 3188 1342] stressed the need to give top priority to the achievement of economic gains and to strive for the steady development of the national economy of the province.

Governor Hui pointed out that efforts directed toward the accomplishment of various economic endeavors during the year will have a vital bearing on the further development of the favorable situation, the consolidation and stabilization of our economic gains, a further improvement in the financial and economic position of our nation, and the stable development of the national economy. At the moment, our primary task is to implement the 10 guidelines for economic construction issued by the State Council by taking further steps in correcting our guiding thought, establishing a proper correlation between profits and the rate at which they should be achieved, setting up a link between planned economy and

market adjustments, and resolving the relationship between food production and construction projects. The economic benefit stemming from the respective areas of increased production, construction and circulation is central to the problem. We must make a profound change in our guiding thought, direct our attention to results rather than placing emphasis solely on the value of production as we have been doing over a long period of time, and use the least amount of labor and materials to produce the maximum amount of goods that are in demand. First, we must travel a new road at a realistic speed that will bring better economic results and actual benefits to the people. Second, we must adhere to the principle of subordinating market adjustments to planned economy and cultivate the conception of the whole nation as "a game of chess." In our economic endeavors, it is important that we should strengthen our leadership and our administrative involvement and make the fulfillment of the national plan the chief mission in various economic areas. We must establish a proper relationship between the united leadership of the government and the autonomous powers that properly belong to the enterprises and production brigades, and take advantage of the effects of market fluctuations under the guidance of the national plan. Third, due consideration should be given to the betterment of the people's livelihood and to economic constructions within our means. The betterment of the people's livelihood must be brought about at a measured pace through the development of production and without overtaxing our resources. Similarly, the rate of increase and the specific gravity of the accumulated income of the people should be set judiciously and projects of economic construction should be pursued within the limits of our resources.

In line with this guiding thought, our primary concern in the development of the national economy of the province during the current year is to continue to implement and enforce the eight-character policy of readjustment, restructuring, reorganization and upgrading to achieve the stable development of industrial and agricultural production and of the various enterprises and to bring about the continued betterment of the people's livelihood. To accomplish these objectives, we should direct our efforts toward the six following tasks:

1. Strive for the continued development of the agricultural economy. The governments at various levels must strive in a more conscientious manner to establish a solid base for agriculture. The various trades and businesses must give their unstinting support to agriculture and direct their efforts toward the all-out development of agriculture, forestry, animal husbandry, sideline industries and fisheries. The plan for this year calls for the production of 46.5 billion jin of food, 9.6 million dan of cotton, 8.5 million dan of oil, 17 million pigs out of inventory and 430,000 tons of aquatic products. These should not be regarded as steel-clad figures. We should seek to surpass them and to maintain a certain rate of increase in agricultural production.

The agricultural economy must be in alignment with the planned economy. Food production must be in keeping with and designed to implement the guidelines of the national plan. We must direct our efforts toward the stabilization and upgrading of the old bases for the production of the traditional food commodities and the establishment of new bases for the production of new food commodities.

The acreage for grain production in our province must not be further reduced. In areas where food production has been on the increase in recent years, efforts must be made to ensure its continued increase in order to boost the food production of the province. For areas which have seen a drop in food production, efforts must be made to learn from past experiences in seeking to increase the food output in a stable manner. A relationship must be set up between lands for cultivation and lands for breeding animals. The full amount of green fertilizers must be planted according to plan. The policy of unified purchasing and marketing must be strictly enforced. The various areas must, through such means as the signing of contracts, ensure the fulfillment of such tasks handed down by the provincial government as the amount of food production and contracts for purchasing and marketing. It is of particular importance that the cities and villages should exercise strict control over the sale of food and refrain from increasing food expenditures.

While efforts are being made to increase food production, attention should also be directed toward the further development of diversified operations. A proper relationship must be set between the production of food and the production of cash crops and between agriculture on the one hand and industries and sideline industries on the other. There must be a coordinated development of agriculture, sideline industries and industries with emphasis on agriculture. The labor surplus problem must be solved by the development of diversified operations in a positive manner. In the development of diversified operations, we must be guided by the national plan and the needs of society. We must give full play to the positive attitude of the people collectively and individually. We must, on the basis of the needs of the domestic and foreign markets, restore and develop such traditional subsidiary industries as cultivation, animal breeding and handicrafts. We must continue to do a good job in the production of animals and domestic fowls and especially in the breeding of pigs. We must raise the requisite number of a good strain of boars and sows to deal effectively with the problem of pig production in order to achieve the purchasing quota. Further effort should be made to carry out the forestry policy. Everybody should take part in the planting of trees year in and year out. Care must be taken of trees which have been planted. Effort should be made to ensure that they grow well and that they are of good quality. All water bodies which can be utilized should be utilized to the fullest to develop the breeding and cultivation of aquatic products. In line with the policy of readjustment and consolidation, it is necessary to exercise leadership over and to strengthen the management of the enterprises of the communes and brigades in a positive manner so that they may, under the guidance of the national plan, cope with fluctuations in the market and develop in a healthy manner.

Since Jiangsu Province is small in size and large in population, the value of land is at a premium. The cadres and masses must be taught to treasure and to make good use of every inch of land. The system regarding the review and approval of applications for the requisition of land must be strictly enforced. The land in excess of actual needs earmarked for basic constructions, for the establishment of commune and production brigade industries and villages and for housing for peasants or land which has been allocated but not made use of should be returned to the production brigades and put to use for cultivation. A ban should be placed on the illegal leasing of land or the buying and selling of land.

The speeding up of agricultural development must continue to be guided by a policy and managed in a scientific manner. The busy spring planting season has reached its peak. No changes should be made to the production quota which has already been set by the production responsibility system. The production responsibility system must be made binding, perfected and consolidated on the basis of the actual circumstances of the production brigades. There must be a correlation between centralized management and the contract system. Those projects which should be placed under centralized management must be placed under centralized management while projects which should be placed under the contract system must be placed under the contract system. At the same time, a serious effort must be made to put the finances of the communes and brigades in good order to improve management, to increase income, to reduce expenses and to plug up loopholes. Scientific research in agriculture must go hand-in-hand with the perpetuation and further development of the fine tradition of dedication to the art of farming. The role played by the extension of the agricultural technical network must be further strengthened. Effort must be made to study and apply cultivation techniques to increase and stabilize production at lower cost. The findings of agricultural research must be put to extensive use. The major projects set for the year must be pursued with energy. The use of farm machinery should continue to be adopted in areas where it can be put to good use. An irrigation system should be constructed in the farm areas. Effort should be made to improve the conditions for agricultural production and to heighten the capability to cope with natural disasters.

2. Increase the productivity of the industrial and communications enterprises. Continued effort must be made to develop the production of consumer goods and to provide more services in the heavy industries. In an all-out effort to increase profits, we must strive to improve the quality and to increase the variety of products, reduce the cost, produce goods that are in demand, increase profits and tighten up safety measures in production.

Effort should be made to increase the production of commodities which are in demand and to suspend the production of commodities which are slow to sell. While attention should be paid to the production of medium and high quality hot-selling commercial commodities and of whole sets of commercial commodities, effort should also be made to develop in a positive manner the production of small items urgently needed by the people, industrial and chemical items in daily items in daily use, and items used by women and children. It is of particular importance that we should make available to the peasants a greater variety of consumer products and production materials. Particular attention should be given to "hot-selling" and brand-name products. Positive support should be given the production enterprises in the supply of raw materials, labor and funds. Effort should be made to ensure the high quality and wide variety of products and to reduce costs in order to make the products competitive and to establish a reputation for the province. At the same time, positive effort should be made to expand the domestic and foreign markets. We should organize production in strict accordance with the national plan, adjust the makeup of products and avoid and overcome the tendency to produce indiscriminately.

An important way to develop the economy and to increase profits is to use all the means at our command to develop and to conserve energy and to improve communication and transportation. Energy for productive purposes must be allocated according to a plan and on the basis of actual needs. It is not permissible to consume coal, electricity and oil on the assumption that further supplies will be forthcoming. It is of vital importance to conserve energy, to have a list of priorities and to concentrate on the key projects. We must put into general practice the principle of exercising control over allocations, of making supplies available according to the rationed amount, of verifying the amount of consumption against the amount of allocation, of enforcing the system of giving out citations and imposing fines and of having a list of priorities in the supply of energy. The amount of energy consumption in the rural areas of our province is considerable. Aside from the energy needed for draining flooded fields and for the husking of grains, a strict limit should be put on the use of energy by the commune and brigade enterprises for the production of goods and the transportation of commercial products which require a large amount of energy. The large number of villages must develop and make use of methane gas, solar and wind energy. While effort is made to conserve energy, ways and means must be found to increase the production of coal and electricity. In the field of communication and transportation, we must put into practice the policy of "developing land and water transportation simultaneously with emphasis on water transportation." In developing water transportation, emphasis should be put on such trunklines as the Chang Jiang and the Grand Canal. Effort should be made to increase the present loading and unloading capacity of the seaports and the traffic capacity of the sea routes. A plan must be devised for expanding postal telecommunication services in the cities and villages. Outdated equipment must be replaced and backward techniques discarded.

From this year, for the next 2 or 3 years concentrated effort must be directed toward the all-out readjustment of the existing enterprises according to plan. During this year, readjustments should first be made in the 106 key enterprises in the province which have an important bearing on increased production and profits. The run-of-the-mill enterprises must also be readjusted according to actual needs. A campaign should be launched among the masses to learn from Daqing and the progressive elements. The economic responsibility system should be perfected. Effort should be made to increase production, to economize, to increase income and to reduce expenditure. While the enterprises are being put in good order, effort should also be made, within certain limits, to readjust, to reorganize and to merge the enterprises.

While upgrading the technical standards of the existing enterprises, effort should gradually be shifted from the external expansion of the productive capacity to the exploration of the internal productive potential of the enterprises. Old equipment should be replaced and technological reforms should be initiated according to a plan. Technological reforms should be made with a view to improving the quality and increasing the variety of products, conserving more energy and upgrading the safety standard.

3. Make further efforts to put a limit on basic constructions and to increase the profitability of investments. The provincial authorities responsible for overall planning should invest chiefly in construction projects which affect the livelihood of the people, which are of an educational and cultural nature, and which fall under the category of public health. At the same time, they should invest a proper amount of funds in such essential construction projects as water conservancy, sources of energy and transportation. They should make their moves in a judicious manner, and reject overlapping and ill-planned construction projects. They should exercise more rigid control over and strictly follow the procedure for basic constructions. They should put in good order the building trades and rank-and-file construction workers. They should set up the economic responsibility system, heighten the standard of administration, increase the rate of efficiency, shorten the construction period, improve their work style and establish a good reputation.

4. Pay attention to work in the field of finance and trade and stabilization of commodity prices. In the work of finance and trade during the year, we must consolidate and stabilize our economic gains, ensure increased profits and reduced expenditures and exercise strict control over investments. We must further strengthen the control over finances and the money market, enforce financial and economic discipline, speed up the rate of circulation, bring economic prosperity to the cities and villages and continue to maintain the basic stability of commodity prices.

We must use every means at our disposal to broaden the sources of income and to economize on expenditures. From top to bottom, all trades and businesses must find ways and means to increase profits, to accumulate profits and to make good use of profits. All the areas, departments and enterprises must look at the situation as a whole and have a correct understanding of the relationship between the nation and the localities and that between the nation and the enterprises. While giving their positive support to the development of production, the financial departments must make sure that taxes and profits which should be paid by the parties concerned are paid to the government on time. The governments at various levels must strengthen their leadership in the work of tax collection. The various areas and departments are not to be permitted to exceed their authority by giving tax reductions and tax exemptions. The credit departments of banks must make a positive effort to accumulate funds and to do a good job in the extension of loans and the administration of loan operations in order to achieve better results in the use of funds. They should also develop in a positive manner insurance operations. Serious violations of financial and economic discipline must be looked into and severely dealt with. The purchasing power of the various groups in society must be monitored in order to put the limited amount of money to the best possible use and to do what must be done with the smallest possible amount of money.

The supply and sale of commercial commodities should be done in such a way that they may play their important role to a better effect in stabilizing the economy, in promoting industrial and agricultural production and in satisfying the daily needs of the people in the cities and villages. We should expand in a positive

manner the purchase and sale of industrial and agricultural sideline products and keep ourselves informed and in control of market trends so that we may avoid engaging in the production, supply and sale of commercial commodities without regard to the actual conditions. We should make an inventory of commercial commodities, reduce the stock on hand, promote the sale of commodities which have piled up and increase the supply of commercial commodities in the market. It is particularly important at this time that we should pay attention to putting a large quantity of commercial commodities in the rural areas and to increasing the supply of commercial commodities sought after by the peasants but which are in short supply. We should open wide the channels for the movement of commercial commodities, reduce the bottlenecks which hamper the circulation of goods, break through the economic barriers and develop to the fullest the role played by state-operated commercial enterprises. At the same time, we should develop in a positive manner collective and individual commercial enterprises and increase the number of commercial outlets for the convenience of the masses.

We should continue to tighten control over the market and commodity prices. Retail prices for industrial and agricultural commercial commodities which have been set by the government may not be raised. Retail prices for commercial commodities subject to negotiation may be only reduced and not increased. Prices of the first and second categories of industrial daily necessities should not be negotiation. Prices for agricultural sideline products must be basically stable. The system of negotiating purchasing and selling prices must be overhauled. Prices must not be raised without authorization or under false pretenses. The basic figures for unified purchasing and assigned purchasing of agricultural sideline products must be set realistically. Both the buyers and sellers must fulfill their contract terms. Stricter control must be exercised over village fair trade and continued effort must be made to enliven and improve the operation. Offices and systems for price control at various levels should be set up and perfected. A general checkup of commodity prices should be conducted on a regular basis and the supervisory powers of the masses should be strengthened. The state-operated commercial enterprises and cooperative commercial enterprises should play up the importance of stabilizing commodity prices. Better work should be done in the administration of industrial and commercial enterprises to protect lawful operations and to deal a blow to profiteering and unscrupulous practices.

During the year, our province must fulfill and seek to exceed the quota set by the nation for the amount of purchases for foreign trade and for the amount of foreign exchange earnings for our exports. We must make full use of the rich resources of our province, its abundant labor, its long tradition of excellence in handicrafts, its processing capability and its communication and transportation facilities, to continue to develop its production of export commercial commodities, to boost the export of finished products, to increase the production of foreign exchange earning products at low cost, to improve the quality of commercial commodities, to add to the designs and the variety of commercial commodities and to create brand-name products in order to strengthen their competitiveness.

5. Use science and technology to promote economic construction and raise the scientific and cultural standard of the working people. Our province has already established a certain foundation for scientific, technical and cultural education. We must increase our efforts to promote science and education so as to vitalize the important role played by science and technology in the development of the national economy, to speed up the process of intellectual development and to train various types and levels of personnel engaged in the work of construction.

In the field of scientific research during this year, our province must make the increase of economic benefits one of its goals. In the process of economic development, we must direct our attention to technical research and exploration projects which can be put to practical use and which are capable of yielding rapid results. We must harness our human, material and financial resources to coordinate our efforts in coping with the situation scientifically and from different angles. We must make good use of our scientific research findings and put new techniques to practical use. We must strengthen the direct lines of communication between the scientific research and production departments, establish the system of contracting for scientific research projects and the sharing of technological findings, extend the work of providing information service in response to inquiries of a technical nature and gradually make scientific research a matter of common concern in society. We must also direct our efforts toward promoting activities designed to get the masses interested in scientific matters and give free rein to the production experts, model workers and the large number of young intellectuals so that they may play their role in the popularization of science and technology among the masses and the application of scientific and technical methods.

We must continue to bridge the gap between the educational and the economic construction establishments. We must continue to implement the educational policy of the party and place emphasis on the overall moral, intellectual and physical development of students. We must improve the quality of education and develop a larger number of people who are both Red and expert. We must direct our efforts toward upgrading higher education and, to meet the needs of the development of the national economy and the reform of the educational structure in our province, adopt various methods to increase by gradual degrees the number of trade schools and the number of students. Aside from the regular colleges, we must also increase the number of professional and television colleges and give every encouragement to those who seek to acquire learning on their own. In secondary school education, we must further put junior secondary schools in good order, adjust and reform the ordinary senior secondary school system, develop in a positive manner secondary trade schools and professional schools, and provide training to a large number of technical workers and specialists on the junior and secondary school levels. We must do a good job of providing elementary school education and of improving its conditions. We must safeguard the physical and mental health of secondary and elementary school students, show concern for their development and help to solve their problems. We must also pay attention to kindergartens and nursery schools. We must strengthen the education of the entire body of staff members and workers so that the situation characterized by the low scientific, cultural and technical standard of the corps of staff members and workers in our province may be speedily changed.

In the field of public health, we must continue to establish and put in good order the medical establishment, upgrade the standard of medical care and do a better job of preventing and treating diseases. We must do a good job of providing social services in such fields as physical education, cultural affairs, publishing, newspapers, broadcasting and television so that they may keep pace with the development of projects of economic construction.

We must continue to direct our efforts toward the implementation of the party's policy on intellectuals. During the first half of this year, we must evaluate in a serious manner the work done by intellectuals, study and adopt in a practical way corrective measures so that they may be allowed to go about their work without being discriminated against politically. We must show concern for their livelihood and seek gradually to improve their working and living conditions whenever possible. It is particularly important that we should pay attention to the training of young and middle-aged intellectuals so that they may freely develop their potentials in their different lines of work. We must give praise to those progressive intellectuals who have demonstrated their love for their country, who are mindful of the interests of the nation, who are dedicated to their work and who perform their duties in an unwavering manner.

6. Continue to improve the people's livelihood through the development of production. This year, effort is being made to develop housing construction in the cities and towns throughout the province to match last year's level. At the same time, programs are being assembled for the allocation of housing. Positive effort is being made to sell commercial buildings on a trial basis. Private individuals are encouraged and given public assistance to engage in housing construction. Great attention must be paid to city planning and the size of large and medium-sized cities as well as to controlling the size of the population. Municipal construction and administration must be further strengthened. Within the limits of their financial resources, the cities should install more public utilities and gradually solve the problems of education, medical care, transportation and drinking water for the masses. With the development of production and the adoption of the economic responsibility system, the factories and enterprises must also use part of their retained profits to sponsor and expand collective welfare projects for their staff members and workers. The cities and towns in our province must continue to do what they can to offer work to job seekers or to enable them to find employment on their own. The suburbs must direct their main effort toward the production of vegetables, establish and increase the size of the bases for vegetable production, ensure the adequate supply of vegetables in the market by signing contracts for the production and sale of vegetables and maintain the stability of vegetable prices.

Attention must also be directed to construction projects in the villages and market towns. A plan should be drawn up and implemented stage by stage. Leadership in the construction of housing for commune members in the villages should be strengthened with emphasis on adequate planning and the economical use of land and building materials. Continued effort must be made to improve the living standard of the peasants and to ensure that their income for this year should show an increase over last year's. Special consideration must be given to the impoverished areas and assistance must be provided the communes, brigades and families, and the five guarantees (food, clothing, fuel, education for children and burial for the dead) will enable families to engage in production without having to worry about making ends meet.

The problem of environmental pollution is one which has generated strong feelings among the masses. Aside from stepping up publicity campaigns to educate the people on the importance of environmental protection, it is necessary to enforce the relevant regulations and to adopt economic and administrative sanctions against further violations. Measures must be taken to set a time limit for the old enterprises and other sources of pollution to put an end to pollution.

To ensure the betterment of the people's livelihood, it is necessary strictly to enforce family planning. Firm, appropriate and effective measures must be taken to control the population increase. A laissez-faire attitude must not be permitted. Encouragement must be given to late marriages, late births, fewer births and giving birth to healthier babies.

While effort is made to readjust the economy and to develop science and public services, attention must also be paid to work in other areas. The party Central Committee and the State Council have decided to conduct the third national census beginning on 1 January of this year. The people's governments at various levels must give due attention to the work, exercise their leadership, and tackle their respective jobs in accordance with the plan and in a methodical manner to ensure the success of their missions. They must give their positive support and assistance to the People's Liberation Army in building up the people's militia, in rendering support to the armed forces and giving preferential treatment to their families, in offering assistance to members of the armed forces and retirees who desire to transfer to civilian work, in strengthening the military administration and in promoting the unity of the military and the civilians. Civil air defense must be tailored to meet actual needs in times of war and peace. Further contributions must be made to the four modernization projects of construction. There must be a new breakthrough in the work concerning Taiwan, in foreign affairs, in guerrilla activities, in overseas Chinese affairs and in religious matters.

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FINANCE AND BANKING

BENEFITS OF IMPROVED FINANCIAL CONTROL DISCUSSED

Beijing ZHONGGUO CAIMAO BAO [CHINA FINANCE AND TRADE JOURNAL] in Chinese
27 Feb 82 p 3

[Article by Zi Yaohua [6327 5069 5478]: "Improve Economic Results By Stressing Financial Control"]

[Text] The sixth item in China's 10-point policy on economic construction states: "We must pay attention to principles involved in making money, accumulating money, and spending money in order to increase and economize on construction funds." Making money, accumulating money, and spending money all involve financial control. I would like to discuss methods of financial control.

I once said that "there is a right way to make money, a knack to accumulating money, a method for controlling finances, and a way to spend money." These four are interlinked and overlapping, and all are necessary. If we cannot control our financial resources, then we cannot spend them wisely, and if we do not spend our financial resources wisely, then we cannot make money and we then have no way to accumulate money. Conversely, if we cannot make or accumulate money, then of course we will have no money to spend or control.

Consequently, regardless of whether our financial resources are large or small we must pay attention to methods for making, accumulating, and spending money. In this regard there is a necessary prerequisite, which is that we must pay attention to methods of financial control. This refers to what we usually call having a good head for management and administration. If we have good financial control, then stagnant money will become active and stagnant goods can be put into circulation. If we revive our assets, then we can revive the economy.

As the saying goes, even the cleverest housewife can't cook a meal without rice. However, a clever housewife can use her limited amount of fish, meat, and vegetables to make a tasty feast. The same is true with financial control. At present, China's funds are not plentifully, but if we can calculate and budget carefully, curb extravagance, use funds only when needed without exception, and at the same time accelerate capital turnover, then we can reach the point where one coin can be used instead of two of three.

China currently has some 20,000 or 30,000 state-operated industrial and communications enterprises. In addition to fixed assets, liquid assets make up over 303 million yuan. Due to poor financial control, the overstocking of materials in many enterprises is quite a serious problem. For example there are 20 million tons of overstocked steel products and 60 billion yuan in overstocked electrical products. These constitute "stagnant financial resources" that have no turnover. As for China's 1980 fund turnover rate, in industry it was 3 (in the 1950's it reached 4.8 and peaked at 5) and in commerce it was 2.3 (in the 1950's it was 2.6). In developed capitalist countries [the turnover rate] is more rapid. If we have proper financial control so that the turnover of assets accelerates, an annual national fund of several billion or even 10 billion yuan will not present a problem.

Therefore we must set down a rational quota for liquid assets in enterprises. If they surpass the quota, banks should increase the interest rate on loans. If they are used irrationally, loans should be denied. At the same time, we must conscientiously make an inventory of warehouses so as to utilize overstocked goods fully. As for goods that really cannot be put to use, we can discontinue them, melt them down, or discard them. Only in this way can we thoroughly clarify the exact amount of available assets in the country.

There currently exist problems in China's financial affairs that require our consideration. These problems are "false profits and real losses" and "false reserves and real goods." For instance, the stock of electrical products appears to be revenue (assets), but in reality these are overstocked products that cannot be sold. Nevertheless, the state treats this false financial revenue as real assets and includes it in the budget. Another example is plant products that are outmoded and of poor quality. They cannot be sold on the market; yet concerned departments purchase them. The plants obtain some revenue, which is deposited in banks, and they pay tax on the revenue and on the profits. As for finance departments, the taxes paid by plants, interest and bank savings are all actually false, because these purchased products are unmarketable. However, the credit extended to plant by banks is real. That means that state financial revenues and expenditures lack material backing. Money exists only in account books, and there are false profits with real losses and false reserves with real goods. The result inevitably is to bring on inflation and credit inflation. This is extremely detrimental to state economic construction.

In the area of investment there is a problem that cannot be ignored, and that is the problem of investing while overlooking the economic results of making investments. Once investments are made, many enterprises and units fail to earnestly investigate, study, and thoroughly consider whether or not products satisfy the market, when funds can be recovered, and when they can net a profit. This causes great waste. From now on, no matter whether it is a matter of investment in basic construction, companies, or bank loans, serious consideration should be given to economic results. A realistic feasibility study should be made on every cent that is invested in the areas of production, circulation, distribution, consumption and in speculation, construction and establishment of production. Furthermore, on the basis of investigation and study, a realistic and comprehensive plan should be worked out. In this way we can completely correct the phenomena of random

expenditures or the ignoring of revenue while managing expenditures (investment); this will greatly enhance economic results.

There is another important aspect to financial management--namely, making full use of fixed assets (plants, machinery, and other equipment). The utilization rate of our current fixed assets is insufficient. For example, the utilization of our equipment is generally 60 percent of capacity; in some cases it is only 50 percent, and in most cases it does not exceed 70 percent. Some facilities have long been idle.

In some discontinued enterprises, the equipment has never been used at all, and there are also some imported facilities that have not been used. There is a need to establish light industries and chemical industries, but we cannot do so for lack of funds and equipment. We should make comprehensive plans, break through local, professional, and departmental restrictions, move plentiful equipment to wherever there are shortages, and move idle equipment to departments that need it. We should resolutely put a halt to the waste that is caused by equipment lying idle.

From here on in, banks should strictly follow state planning in setting norms for issuing currency and in setting credit targets. They should classify and extend loans based on the source of funds. Saving deposits among the people should be separated into long-term deposits, short-term deposits, fixed deposits, and current deposits. There should be appropriate control of the use of long-term and short-term deposits, so that both deposits and loans are controlled.

All enterprises and public agencies must uphold the state financial accounting system, firmly plug the loopholes, correct the unsound practices of extravagance, waste, treating guests and giving gifts. We must attack embezzlement and other activities that violate law and discipline. At the same time, we should fully encourage financial accountants to check up on our financial affairs so that financial control will fall into place.

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CSO: 4006/360

FINANCE AND BANKING

BRIEFS

STATE TREASURY BONDS--The work of issuing state treasury bonds has already begun in Zhejiang Province. This year the target for the national distribution of state treasury bonds is 13.18 billion yuan. The Provincial People's Government determined that units in the system of ownership by the whole people and in the system of collective ownership should purchase 8.7 billion yuan. Urban and rural people (including cadres and staff of provincial units) and individuals should purchase 4 million yuan. The distribution targets for each unit and individual were transmitted down to each prefecture, municipality, county, and department. Recently the provincial office of finance, the provincial branch of the People's Bank, and the provincial branch of the Agricultural Bank jointly issued a notice that stipulated that in principle, when subscribing for state treasury bonds, each unit should pay in full, but a small group of units who have difficulties can pay in two installments. For the individual purchase of state treasury bonds, subscriptions for cadres, staff, and workers can be handled by their units, subscriptions for peasants can be handled by their production brigades, and subscriptions for urban residents can be handled by their subdistrict offices. The procedure adopted for making payment and receiving state treasury bonds is either payment in full or by installments. If an individual purchase is high and it is not convenient for the unit to make a centralized purchase, then it is possible to buy directly from the bank. Payments by staff and workers can be made in full by the individual or by his unit according to the payment plan decided upon. This can be deducted from their wages. Payments by peasants are generally made in full to the production brigade, and it can be entrusted to the production brigade to hand it over. Payments by urban residents can be made to the subdistrict office. [Text] [Hangzhou ZHEJIANG RIBAO in Chinese 20 Feb 82 p 1] 9864

SHANDONG BANK LOANS--In the past 2 years, people's banks in Shandong Province have issued 700 million yuan of intermediate- and short-term loans to light and textile industries and consumer goods producing enterprises to help them build 4,400 renovation projects to tap their potential. The projects have added to the state over 1 billion yuan of output value and 100 million yuan of taxes. [SK080916 Jinan Shandong Provincial Service in Mandarin 2300 GMT 7 Jun 82 SK]

SICHUAN CLEARS RURAL ACCOUNTS--Since this year's spring festival, many areas in Sichuan Province have started clearing up financial accounts of communes and brigades. According to the statistics compiled by the provincial agricultural department in 15 prefectures, municipalities and autonomous prefectures, some 323,000 communes and brigades have completed their work in settling accounts. This accounts for 56.9 percent of the total number of communes and brigades in the province. [HK260947 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 17 May 82 HK]

CSO: 4006/475

FIRST SYMPOSIUM ON COMPREHENSIVE UTILIZATION OF MINERAL RESOURCES

Beijing YOUSE JINSHU [NONFERROUS METALS] in Chinese No 2, 1982 pp 79-80

[Text] The First Symposium on Comprehensive Utilization of Mineral Resources in China, co-sponsored by the Mineral Processing Institution, Chinese Society of Metals and the Uranium Mining and Metallurgical Institution, Chinese Nuclear Society, was held on November 10-15 in Beijing. At the Symposium were present 124 people, coming from 70 organizations concerned in scientific research, engineering design, education and production fields.

68 papers were read out and the general and panel sessions respectively. At this Symposium several aspects of full utilization of mineral resources in China were reviewed, involving its present situation and technological level, some useful suggestions on the future work were also made. All this should positively affect the development of technology in the field of full utilization of ore resources in China.

The main aspects discussed at the meeting are as follows:

1. Panzhihua V-containing titanomagnetite ore. The titanium processing plant has been in test run to recover titanium values from tailings of V-containing titanomagnetite ore magnetic separation, by the method of gravity-sulfur flotation-electric separation. In recent years, in order to improve the performance of full utilization of these ores and reduce the production costs, quite a lot of research work has been done in the areas of technology, equipment and flotation reagents for recovering titanium minerals. In some papers the use of high-intensity magnetic separation followed by treating tailings sized 0.4-0.1mm from magnetic cobbing of Panzhihua ores. And the performance of YD type electric separator and spiral separator, developed in China, has also been described for beneficiation of titaniferous iron ores.

2. Baotou iron ore. The process of flotation followed by selective flocculation for desliming has successfully been run in pilot scale experiment to treat Baotou iron ore, as a result some difficult problems such as separation of rare-earths from fluorite and that of micro-sized iron minerals from iron containing silicates have been solved, rare-earth minerals and fluorite recovered as by-products and iron super-concentrate obtained for iron-and steel-making.

3. Uranium ore. Uranium minerals occur in association with a variety of valuable components in deposits in China. In several papers the techniques have been described for recovering uranium and its accompanying components from such U-containing ores as phosphate ore, carbonaceous slate, nonferrous metal ores, gold ores and lignite, demonstrating the progress achieved in this field. Especially, a plant for treating U-containing lignite has been in operation for 10 years, showing remarkable technico-economical results.

4. Complex non-ferrous ores. Rather rich experience has been gained in China in treatment of these complex ores. In some papers have been discussed the techniques for separation of cassiterite-containing complex sulfide ores, multi-metallic tungsten-tin ores containing Cu, Zn, As, Cd, Ag, etc., as well as pyrite type multi-metallic sulfide ores, and suggestions on technology improvement also been made.

5. Tailings treatment. Owing to the progress in metallurgical technology achieved in China, tailings reclaiming processes have been in commercial stage, for instance, the plants for reclaiming copper tailings at Tongguan-shan Copper Mine, Anhui, and for tailings at Yunnan Tin Mining Co. have been put into production in succession. The technology for recovering lepidolite from Nb-Ta tailings at Yichun, Jiangxi, and for treatment of impounded tailings at Yueshan Copper Mine, Anhui, has successfully been developed.

CSO: 4013/95

CONSTRUCTION

BRIEFS

HEILONGJIANG HIGHWAY BRIDGE--A state-financed plan for building a highway bridge in Harbin, Heilongjiang Province, across the Songhuajiang River has been adopted. Pre-construction preparations are under way. Construction will begin in June. According to the plan, the bridge is 1,800 meters long and 24 meters wide. Some 18 meters are for vehicles, and 6 meters are for sidewalks. [SK262325 Harbin Heilongjiang Provincial Service in Mandarin 1100 GMT 25 May 82 SK]

LIAONING HOUSING CONSTRUCTION--In the past 3 years, Liaoning Province has built staff quarters totaling 18.35 million square meters. The per capita living space has increased by 0.6 square meters over that in 1978. Investment on staff quarters in the past 3 years amounts to 3 times the investment during the 10-year turmoil. Since the third plenary session, the province has raised investment totaling 3.12 billion yuan from the state, collective and individual sectors for building staff quarters. Housing totaling 14.5 million square meters were built with state investment. [SK020604 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 1 Jun 82 SK]

ZHEJIANG HARBOR EQUIPMENT--Beicanggang, 17 May (XINHUA)--A complete set of loading and unloading equipment installed at Zhejiang's Beicanggang harbor passed its technical norm test by handling 82,000 dun of Italian iron ore shipped in by the 100,000-dun freighter Baoqing on 7 May. The installation of the computerized harbor equipment, which was imported from Japan, marks the basic completion of the construction of Beicanggang harbor, an important auxiliary project for the Baoshan Iron and Steel General Plant in Shanghai. The harbor, which began construction in 1979, is intended to be used as a transfer port for the iron ore needed by the Baoshan plant and has a designed annual handling capacity of 20 million dun of ore. [Beijing XINHUA Domestic Service in Chinese 1528 GMT 17 May 82 OW]

CSO: 4006/475

FOREIGN TRADE

INVESTMENT PROMOTION MEETING OPENS

OW080446 Beijing XINHUA Domestic Service in Chinese 1300 GMT 7 Jun 82

[Text] Guangzhou, 7 Jun (XINHUA)--An investment promotion meeting, jointly sponsored by China's Ministry of Foreign Economic Relations and Trade and the UN Industrial Development Organization [UNIDO], opened in Guangzhou today.

This is a relatively large international economic cooperation meeting held in our country. It will provide opportunities for our country to absorb foreign funds in a planned way, to establish joint ventures and cooperation enterprises and to transform existing enterprises. At the meeting negotiations will be held with foreign firms on 130 foreign investment projects proposed by the departments concerned of our government and by 23 provinces, municipalities and autonomous regions.

At 0900 this morning the opening ceremony of the meeting was held at Youyi Theater in Guangzhou. Among those present at the ceremony were more than 360 representatives of industrial and business enterprises and personages of banking circles from 19 countries and regions in the world, Italian Vice Foreign Minister (Kerti), currently in Guangzhou, and diplomatic officials and commercial counselors of 17 foreign embassies in China. Their presence was warmly welcomed by representatives from our government departments concerned and by more than 700 personages of economic circles from various provinces, municipalities and autonomous regions of our country.

Chen Muhua, state councillor and minister of foreign economic relations and trade, made an opening address. On behalf of the Chinese Government, she extended a warm welcome to the guests who had come for the meeting. Chen Muhua said: It is a long term policy decision of our country to carry out socialist economic construction by implementing the principle of relying mainly on our own efforts with foreign assistance as a supplement and by pursuing the policy of opening to the world. In recent years our country has been carrying out economic readjustment, and now efforts are being made to strike at the severe criminal offenses in the economic sphere. These measures do not mean a change in our policy of opening to the world and enlivening the domestic economy; on the contrary, they are aimed at implementing our domestic and foreign economic policies in a still better way and ensuring the smooth progress of our socialist modernization program.

Chen Muhua pointed out: The introduction of applicable advanced technology and equipment and the absorption of foreign funds on the basis of equality, mutual benefits and exchanges for each other's needs according to China's concrete conditions are specific manifestations of our policy of opening to the world. China's economic construction has entered a new period of steady development. In the future we will continue to make technological transformation of our existing enterprises and take appropriate steps to concentrate our efforts on the construction of key projects in such fields as energy, communications and transportation. All this requires us to import applicable advanced technology and equipment and to actively absorb and utilize foreign funds.

Addressing the opening ceremony, Dr Abderraham Khane, executive director of the UN Industrial Development Organization, expressed satisfaction with the Chinese Government's decision to hold this meeting. He said that this not only shows the Chinese Government's confidence in the meeting's success in promoting international cooperation, but is also a sign of its confidence in UNIDO. In particular, he said: This Guangzhou meeting will discuss more than 100 investment projects involving principal manufacturing industries. Most of these projects require not only the newest technology but also special management knowledge, and channels must be explored for the products to enter the market. In this major attempt, he added, the greatest importance is attached to finding a way acceptable and beneficial to both sides.

Wei Yuming, vice minister of foreign economic relations and trade, introduced and explained China's policy of absorbing direct investment from foreign countries at the meeting. He said: For some time from now, absorbing direct investment will be the most important way for our country to utilize foreign funds. In absorbing direct investment from foreign countries, we should not only establish and improve related regulations, but also coordinate the work closely with the needs of our economic readjustment, the four modernizations and the improvement of the people's living standards and pay attention to the economic results of the work. We should uphold the principle of equality and mutual benefit, ensure the interests of both sides and see to it that Chinese-foreign jointly invested (cooperation) enterprises enjoy sufficient decisionmaking power. In addition, we should do our best to create a favorable investment climate and convenient conditions for foreign investors.

In conclusion, Wei Yuming said: The cooperative projects proposed for this meeting may be carried out in a variety of flexible ways such as joint ventures, cooperative operations, compensatory trade and import of technology. If initial agreement on a project can be reached at the meeting, the parties concerned may sign a document showing agreement of their intentions, minutes of talks or similar papers as a basis for further negotiations in the future. If initial agreement on a project cannot be reached at the meeting, it may be advisable to find someone willing to cooperate on the project and continue to negotiate with him after the meeting. He said: As long as the Chinese

and foreign representatives attending this meeting proceed from the good intention of sincere cooperation, exchange their opinions, enhance their understanding of each other, make sufficient consultations and cooperate closely, there will be a broad avenue and a bright future for our cooperation.

A speech was also delivered by Nessium Shallon, resident coordinator for the UN operational activities.

Also attending the opening ceremony of the meeting were Liu Tianfu, governor, and Zeng Dingshi, vice governor of Guangdong Province; Liang Lingguang, mayor of Guangzhou municipality; and Cao Zhongshu, assistant general manager of the China International Trust and Investment Corporation.

This evening China's Ministry of Foreign Economic Relations and Trade held a reception for Chinese and foreign representatives attending the meeting. Chen Muhua and Khane were among those present at the reception.

CSO: 4006/475

FOREIGN TRADE

BRIEFS

SHEKOU INDUSTRIAL DISTRICT FUNDS--After construction for a period of 2 years, the Shekou industrial district in Shenzhen special economic zone has begun to retrieve funds. Last year, the amount received for land-use fees, sale of factory premises, accommodation charges and so on was about HK\$20 million. The total income this year is expected to be about HK\$40 million. Some 1.2 square kilometers of land in Shekou has been developed in the first phase of the project and the planned investment amount is HK\$300 million. At present, there are altogether 24 foreign companies in Shekou and 12 cooperative projects which have helped to absorb foreign investment of some HK\$314 million. As of the end of last year, the Shekou industrial district had completed construction of factory premises, guesthouses and residential flats with a floor area of some 71,500 square meters. [HK251005 Guangzhou Guangdong Provincial Service in Mandarin 1000 GMT 16 May 82 HK]

CSO: 4006/475

LABOR AND WAGES

IMPORTANCE OF EDUCATION FOR STAFF, WORKERS STRESSED

Nanjing XINHUA RIBAO in Chinese 13 Feb 82 p 1

[Editorial: "This Strategic Task Should Be Given a Strategic Position"]

[Text] Education for staff and workers is an undertaking of strategic significance. Seeing to the education of nearly 600,000 cadres and 6 million staff and workers in enterprises and public agencies throughout the province will have a major impact on establishing a material and spiritual civilization as well as improving party style and popular practices. All prefectures, departments, enterprises, and public agencies throughout the province must deal with this problem as a strategic task.

Education for staff and workers is a major channel for expanding knowledge and training skilled personnel. It is a reliable guarantee for the continued development of our national economy. It is intimately related to the establishment of modernization and economic readjustment. In the final analysis, engaging in the establishment of modernization requires that we need a contingent of staff and workers who have socialist consciousness and scientific and cultural knowledge and are skilled in labor technology. We also need specialized personnel who have an understanding of technology and have managerial skills. At present, the educational level and technical competence of staff and workers in enterprises and public agencies throughout the province and the managerial level of cadres cannot meet the demands of the establishment of the four modernizations and economic readjustment. The lack of qualified personnel is a striking problem that exists on every front of endeavor. Since the "Great Cultural Revolution," young and middle-aged staff and workers who have participated in work make up over one-half the total number of staff and workers. Eighty percent of these young and middle-aged staff and workers have a low level of practical education; none of them has gone beyond junior middle school. Seventy-five percent of staff and workers have a technical competence below grade three, and a fair number have a practical technical competence lower than their rank. The proportion of technical personnel in industrial departments is low--only 3.3 percent. Most of them have only elementary technical skills. Not even half of the cadres in enterprises and public agencies are familiar with management and administration, and the number of cadres who understand modernized management is even smaller. The primary reason for the poor quality of products in many enterprises, for high production costs, for the

numerous accidents of all kinds and for inferior economic results is "the three low levels and one deficiency." If we fail to adopt measures to enhance the educational and technical quality of this contingent, it will inevitably affect the process of construction of the four modernizations and the progress of economic readjustment. Conducting various types of colleges for staff and workers, technical secondary schools, supplementary classes, and technical training classes will serve to rapidly improve the scientific and educational level of vast numbers of cadres, technical personnel, managerial personnel, and skilled workers. It will also be advantageous for turning out a greater number of qualified personnel at an early date, encouraging the readjustment of the national economy, and ensuring that the establishment of the four modernizations proceeds smoothly.

Education for staff and workers is an important aspect in the establishment of a spiritual civilization. This is because education for staff and workers includes the task of raising their political and ideological level. This involves helping to establish a communist ideology, enhancing socialist consciousness, cultivating a sense of mastery and responsibility, developing a high degree of dedication, taking good care of state property, and daring to struggle against the phenomena of graft and extravagance. It also includes strengthening labor discipline, overcoming backward ways of thinking and poor workstyles, constantly bringing their enthusiasm, initiative and creativity into play, etc. Once the political and ideological level of vast numbers of staff and workers has been raised, the degree of spiritual civilization will surely increase correspondingly. The reason for this is that education for staff and workers includes the task of upgrading the scientific and educational levels of staff and workers, thus enabling many of them to achieve a greater mastery of cultural and scientific knowledge. Generally speaking, the superiority or inferiority of scientific and cultural levels is closely tied to the extent of spiritual civilization. Once scientific and cultural levels are raised, the level of spiritual civilization will go up correspondingly. As for enterprises that have shut down and enterprises with insufficient product assignments, if we reinforce the political, cultural, vocational and technical education of staff and workers in these units and make an intellectual investment, we will then be able to increase our ability to develop these units in the future. Moreover, it would be advantageous to the stability and unity of enterprises and society. It also will encourage the establishment of a spiritual civilization. We believe that once the education of 600,000 cadres and 6 million staff and workers in enterprises throughout the province is carried out, the establishment of a socialist spiritual civilization will develop and that this will inevitably provide a stimulus for improvements in party style and overall social practices.

Education for staff and workers is a comprehensive, broad, immense undertaking that cannot succeed without the serious consideration of party and political cadres at all levels. The key to whether or not education for staff and workers can be carried out successfully is whether or not the leadership at all levels can give this task their serious consideration as a strategic task. Last year, after the Central Committee of the CCP and the State Council issued the "Resolution on Strengthening Education for Staff and

Workers," the understanding of the leadership at all levels throughout the province concerning the education of staff and workers increased substantially. In general, however, since the leadership in many units still does not regard education for staff and workers as a strategic task, they still fail to meet the objective demands of the times. In certain units, launching education for staff and workers is often "given lip-service, delegated to a secondary role, and assigned a low priority." In some fairly active production units, the leadership has stated emphatically that they have no time for study. In other units that have few production assignments, the leadership claims that they are not in the mood to study. There are still other leading comrades in certain units who see the education of staff and workers as being a "losing proposition," so they are unwilling to make an effort. Consequently, all leaders should unify their understanding with the "Resolution" of the Central Committee of the CCP and the State Council. They should have a deep understanding of the importance, urgency, and difficulty of educating staff and workers and truly come to regard it as a strategic task. It should be discussed and investigated several times a year. In each leading party and political group there should be one cadre who is responsible for dividing the work. In every level of government, there should be special administrative bodies. Every level of government should bring education for staff and workers in line with the national economy and national education. This includes making long-term plans and annual programs. This task should become a regular and important part of their work. All concerned departments should arrange production and work assignments in that way. They should make arrangements for the education of staff and workers and consider improving the degree of success of this education program to be a major area to be assessed by leading cadres, enterprises, and public agencies. Those who are qualified to conduct schools but refuse to do so, or those who engage in formalism when dealing with superiors, are being derelict in their duties as leaders. These kinds of units cannot be judged advanced units; rather, they should be criticized.

The objectives of education for staff and workers are numerous. It is an immense and complicated undertaking that no one department can manage alone. In Suzhou, the reason why education for staff and workers was successful is because the leadership paid attention to cooperation in all areas and made a concerted effort in conducting the schools. Consequently, in order to successfully carry out education for staff and workers, it is necessary to follow the principle of "strengthening the leadership, unifying the administration, sharing the responsibility, and making a concerted effort to cooperate." It is also necessary to give full play to the enthusiasm of education departments, labor departments, various vocational management departments, trade unions, the CYL, the Women's Federation, science associations, and other peoples' organizations as well as all democratic parties and social groups. Everyone should attend to his duties and fulfill his responsibilities in order to realize our common goals and encourage the development of education for staff and workers. In particular, trade unions and education departments have consistently concentrated on education for staff and workers, and they have much experience in this area. They should continue to develop the core function of education for staff and workers.

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CSO: 4006/360

'WEN WEI PO' OUTLINES INVESTMENT MEETING

HK070411 Hong Kong WEN WEI PO in Chinese 7 Jun 82 p 12

[Article by Ji Chongwei]

[Text] China investment promotion meeting co-sponsored by the Ministry of Foreign Economic Relations and Trade of the People's Republic of China and the industrial development organization of the United Nations will be held on June 7-11 in Guangzhou. Now I am going to make a brief on this meeting.

1) The status quo on absorbing foreign investment in past 3 years.

Since the practice of the open-door policy in the economic field and the promulgation of the law of PRC concerning joint ventures with Chinese and foreign investment, Chinese Government has, early or late, approved 40 joint ventures with Chinese and foreign investment, of which the total investment amounts to \$190 million, including a foreign investment of 87.48 million. Of the 40 joint ventures, 27 have opened to business or begun production, 4 are under construction and 9 are under preparation. On the last decade of March, [as published] the Ministry of Coal Industry of China and a coal mining company of the United States had signed an agreement on the research of the feasibility on the cooperation of exploiting the Pinsu open coal mine of Shanxi, which is to be the biggest joint venture with a Chinese and foreign investment amounting to \$500-\$600 million. There are 390 projects approved by governments at all levels, which are cooperated by China and foreign countries (i.e., the contractual joint venture). They absorbed foreign investments amounting to \$1.8 billion. They are mainly tourist restaurant, house building, fishing and culture of aquatic products and service trade. Four projects on prospecting and exploiting offshore oil resources are cooperated by China, Japan and France, with a total investment of \$840 million, including \$500 million of foreign investment. There are 590 projects of compensation trade, of which the cost of the machinery equipments provided by the foreign investors amount to \$460 million. The direct total investment absorbed from the foreign countries through the above-mentioned forms amounts to about \$2.9 billion. (The sum of the money is added up according to contracts, more than half of them have been put into

use.) In the past two years, we have taken some experience in trial-operating joint venture with Chinese and foreign investment and achieved initial economic effects. In one word, there is a good beginning in absorbing foreign investment. The foreign investment utilized has done something good to the current economic readjustment and long-term development of our country.

Currently the laws and regulations concerning foreign investment are being made, or promulgated and becoming more perfect. In addition to the laws and regulations promulgated, the implementing regulations of the law concerning joint ventures with Chinese and foreign investment, and the economic contract law involving foreign countries will soon be promulgated and implemented. At the end of March, after the signing of China and U.S. investment insurance and security agreement, China has signed the agreement concerning the protection of mutual investment with Sweden and the discussion on investment protection with West Germany, Japan, and Canada and Switzerland and, the discussion on mutual exemption from taxation with some other countries are under way. Besides, following the smooth development of the readjustment and the reform of the management system, we are creating more and more favorable investment conditions for the foreign investors.

Premier Zhou Ziyang announced in a government work report to the national people's congress on November last year: "We welcome the foreigners to invest, to run mining, factories and other causes with us, but the foreign investors must respect the sovereignty and observe the laws, policies and decrees of our country." He also pointed out: "To those medium and small size enterprises turning out products urgently needed by the domestic and foreign markets, we should be more flexible on the utilization of foreign investment and the introduction of techniques." According to the above stated policies, we shall attach special importance to the utilization of foreign investment and the introduction of technology for the technical reform of the existing enterprises.

2) The purpose of the meeting.

In the past two years, many foreign entrepreneurs who are interested to invest in China expressed: It is desirous that China can offer a number of projects for their choices. Our government has considered such proposals and has made preparations.

The industrial development organization of UN, according to their experience in promotion of the industry of the developing countries considers that it is a good way to invite the foreign investor to discuss with the project sponsor in a country on a certain project in the form of investment promotion meeting for promoting the developed countries to invest in the developing countries. In early 1980, the UNIDO had moved to Chinese Government to hold such meeting and expressed willingness to offer various sorts of help. Having gone through considerations, Chinese Government regards that, to hold such meeting after serious preparations is good for further expounding Chinese

policy of encouraging foreign investment, promoting the mutual understanding and cooperation between the potential investor and the Chinese project sponsor, further enlarging the scale in absorbing foreign investment and combining the current need of China. We stand for that it is helpful to both Chinese and foreign parties to hold such meeting. On Chinese side, we can, according to the needs of economic development and our program, initiatively and in a planned way, offer a number of projects wanting foreign investment to the meeting to seek and choose suitable investors. For the potential investors who are interested to invest in China, it is good for them to discuss with Chinese project sponsor in a few days' period and seek and choose suitable investing objectives. The projects are announced early before the meeting and the participants are also being selected. Having certain understanding, both sides can discuss with clear aims and good preparations, which is a good way to save time, manpower and heighten efficiency.

Of course to hold such a meeting is but one way, not the only way. Investors interested in those projects, had they taken part in the meeting or not, are welcome to China to discuss investment with us before or after the meeting.

3) The proceeding of the meeting.

Having discussed and prepared for a long time by the foreign investment administration commission of PRC (now amalgamated to the Ministry of Foreign Economic Relations and Trade) and UNIDO, the China investment promotion meeting is decided to be held on 7-11 June in Guangzhou. It is to be presided over by the Ministry of Foreign Economic Relations and Trade of PRC and by the support of the IDO of foreign economic relations and trade of PRC and by the support of the UNIDO, which is to organize and arrange the meeting together with us. The meeting will invite personnel from enterprise circles and financial circles who are interested in the projects, and Chinese personnel responsible for the projects. Owing to the limitation of the meeting place and the accommodation conditions the scale of the meeting will not be very large. Hence, not all applicants are likely to be invited.

With reference to the experience of such meetings held by the IDO and other countries, the meeting is scheduled to last 5 days. The first day will be the opening ceremony, delivering speech by the representative of the Ministry of Foreign Economic Relations and Trade on behalf of the Chinese Government, briefing the economic development state and investment policy of China. The last day of the meeting will be the closing ceremony. In the intermediate 3-4 days, the Chinese responsible personnel and the foreign enterprisers to the meeting can contact directly and discuss vis-a-vis.

We are desirous that both parties can have full preparations on the potential cooperation items before the meeting, in order to win good results through the meeting. The discussion can continue after the meeting with an appointment agreed by both parties.

4) Projects offered to the meeting.

We hope that we can reach some agreements or suggestions in the period of meeting.

It is necessary to make clear that the spheres of cooperation for Chinese and foreign parties are very broad. We have no idea to limit the discussion of the cooperation objects within the 130 projects. The Chinese participants of the meeting are likely to suggest some preparatory projects. Any investors can also suggest to the Chinese participants and discuss the possibility of cooperation on any other projects they are interested in. In conclusion, we hope we can achieve good results and open a broad way for the cooperation with Chinese and foreign investment through negotiation.

5) The procedure for applicants to the meeting. (omitted)

6) The procedure of reporting the agreed project for ratification.

Having reached the international agreement on the cooperation project, the Chinese participant will have to apply and report to the Chinese Government according to the following procedures:

1. Submit the project suggestion to the Ministry of Foreign Economic Relations and Trade of China. After approval, the Chinese participant can carry on the feasibility study and other work with the foreign investor.
2. Submit the feasibility study report. After approval, both parties can further discuss and sign formal documents such as agreement, contract and regulations.
3. Submit formal documents such as contract, agreement and regulations signed (or initialed) and joint venture application form, the list of the board of directors and general managers to the Ministry of Foreign Economic Relations and Trade of China or its authorized provincial, municipal and autonomous regional people's government and the responsible Ministry of State Council for ratification. After approval, a ratification certificate will be issued by the Ministry of Foreign Economic Relations and Trade on behalf of the Chinese Government. The joint venture will have to register in the industrial and commercial administration bureau of China by producing the certificate of ratification and receive the business license. Until then, the joint venture is established. Industrial and commercial administration bureau of China by producing the certificate of ratification and receive the business license. Until then, the joint venture is established. [as printed]

To speed up the ratification, the original China Foreign Investment Administration Commission stipulated that projects with a total investment under \$5 million (in Beijing, Tianjin, Shanghai and Liaoning) or \$3 million

(in other provinces, municipalities and autonomous regions), with Guangdong and Fujian having no limitation on the amount of investment, and projects needing no raw material appropriated by the state, causing no influence in the national balance in the fields of fuel, power and communication and transportation, its products processing no export quota of country, are to be examined and ratified by the provincial, municipal and autonomous regional people's government, and to be reported to the foreign investment administration commission for the record, and the certificate of ratification will be issued accordingly. This stipulation is still effective now.

CSO: 4006/476

AUTHOR: LIU Zaixing [0491 0375 5281]

ORG: None

TITLE: "What Appraisal Should be Given to the Distribution of Railways Built Since the Third 5-Year Plan?"

SOURCE: Beijing JINGJI LILUN YU JINGJI GUANLI [ECONOMIC THEORY AND BUSINESS MANAGEMENT] in Chinese No 2, 25 Apr 82 pp 22-26

ABSTRACT: In the past 3 decades, the total investment in railway construction in China amounts to several tens of billion yuan. In terms of regional distribution, about 2/3 is spent in areas to the west of the Beijing-Guangzhou Line, where 75 percent of the newly constructed railways are located. Currently, more than 80 percent of the rail transport volume in the country are borne by lines of the Northeast and the coastal regions, however. For this reason, some comrades believe that the railway construction arrangement is not reasonable, because: (1) It is contrary to the objective needs; (2) The construction cost of inland railways is too expensive, for example reaching 3-4 million yuan/km for the Cheng [Chengdu]-Kun [Kunming] Line; (3) Some lines have been built too early and are less than sufficiently used. The author does not agree with the above assessment. (1) Historically speaking, 82 percent of the 21 thousand km of China's railways were in the Northeast and the coastal regions and it was not until the end of the second 5-year plan before the condition of inland transportation was somewhat improved; (2) Judging from the present con-

[continuation of JINGJI LILUN YU JINGJI GUANLI No 2, 1982 pp 22-26]

dition, if these main lines had not been built, the iron, coal, phosphite, lumber, colored metals would have no way to be moved out of the Southwest. It is not that such lines as Xiang [a part of Hunan Province]- YU [Kunming] Line were built too early it is rather that the secondary roads and lines and the original electrification plan were not carried out. (3) The high unit cost of construction represents the difference between railways on the plains, the hills, and the precipitous mountains and of course the unit cost of the coastal regions is higher in subsequent 5-year plans, compared with the cost of the first 5-year plan. (4) The major reason for the current tense situation of railway transportation all over the country is insufficient capital investment in railway construction and nothing else. When the allotment of the fourth 5-year plan is compared with that of the first 5-year plan, the basic construction investment is 2.1 fold, the industrial investment is 2.5 fold, while the railway investment is less than 1.3 fold.

AUTHOR: WANG Chuanlun [3769 0278 4858]

ORG: None

TITLE: "A Long-term Macroanalysis of a Country's External Debt"

SOURCE: Beijing JINGJI LILUN YU JINGJI GUANLI [ECONOMIC THEORY AND BUSINESS MANAGEMENT] in Chinese No 2, 25 Apr 82 pp 55-64

ABSTRACT: The external debt of a socialist country includes mainly outstanding bills of the government payable to foreign governments, organizations, and private firms within a given period of time. For the purpose of proceeding with long term economic planning, it is necessary to analyze a country's external debt and its major influential factors over a long period of time. Using various simple equations, the relationships between the gross national product, individual and collective consumption, various accumulations, exports and imports, domestic balance of payments, international balance of payments, surplus or deficit foreign trade balance, remittance of overseas nationals and other one-way receipts or payments, foreign loans, and average interest payments are explained with emphasis on the calculation of the debt liquidation rate. Implicitly, the paper relies heavily upon Gershon Feder's article, "Economic Growth, Foreign Loans, and Debt Servicing Capacity of Developing Countries" (THE JOURNAL OF DEVELOPMENT STUDIES Vol 16 No 3, Apr 80) in the course of explaining the method and the procedure of analyzing a country's long term foreign debt.

AUTHOR: CHE Li [6508 4409]
GAO Guangli [7559 1684 4409]

ORG: None

TITLE: "Lectures on Market Forecasting: II. Types, Scope, and Procedures of Market"

SOURCE: Beijing JINGJI LILUN YU JINGJI GUANLI [ECONOMIC THEORY AND BUSINESS MANAGEMENT] in Chinese No 2, 25 Apr 82 pp 75-79

ABSTRACT: Market demand is expressed at the product level, the space level, and the time level and market forecasting includes predicting the demand for each individual product, its national, regional and local demand, and its short term and long term, or cyclic demands of the various areas. Market demand is also affected by such factors as the levels of production, distribution, exchange, and consumption of the society; therefore, concretely speaking, in order to proceed with market forecasting, it is necessary to predict the following: (1) The development trend of production; (2) The purchasing power and its variation; (3) Changes in foreign trade; (4) Price variations; (5) Changes in consumer needs; (6) Percentage of the market to be supplied by a given enterprise.

6168

CSO: 4011/110

AUTHOR: CAN Huanxing [3927 3562 5281]

ORG: None

TITLE: "Using Computer to Evaluate Cement Raw Material Ore Deposits and to Select the Optimal Design Formula"

SOURCE: Beijing SHUINI [CEMENT] in Chinese No 5, 10 May 82 pp 20-23

ABSTRACT: At present, the cement factories of the world consume 1.3 billion tons of primary ores a year, amounting to 1/4 of all the mineral products. As the production of cement increases, the quality and other requirements of the needed minerals also rise. This is also basically the condition in China. In the course of searching for new ore sources, the following 2 conditions prevail: (1) When the quality of the ore is relatively good, the conditions of water, electrical power, and transportation are so poor that large capital investments are needed to develop the ore resources; (2) When the quality of the ore is relatively poor but conditions of water, power, and transportation are rather good, a suitable development scheme must be selected in order to guarantee the quality of the cement. For the purpose of resolving these problems, many countries are using computer to analyze and study and to select the optimal design formula. Following a general introduction of the use of a computer to analyze geological data for the determination of the quality of ore deposit and the use of a computer to select the optimal design scheme, the condition of application of computer for this purpose, such as the use of CASIO FX-502P [actually a programmable calculator] by Xinjiang Metallurgical Design Academy of the Ministry of Metallurgy and the use of TI-59 [another programmable calculator] by Han-Xing Coal Mine Design Academy of the Ministry of Coal, in China is briefly reported.

AUTHOR: LEI Zhenwei [7191 2182 1218]

ORG: Cement Industry Design Academy No 3, Ministry of Construction Materials

TITLE: "A Discussion of Designing Nonstandard Parts of a Cement Plant"

SOURCE: Beijing SHUINI [CEMENT] in Chinese No 5, 10 May 82 pp 31-35

ABSTRACT: The so-called nonstandard parts are metal structural parts without finalized patterns or serial numbers. In the cement industry, these normally include a scraper-trough conveyer, steel tank, sluice gate, trestles, casing, etc. Due to the fact that these parts connect the components of the equipment, if they are not reasonably designed, the work process and production will be seriously affected, the equipment will have difficulty in being properly installed, and a great deal waste may be created in the production process. These nonstandard parts are generally of large and irregular shape, relatively simple structure, mostly welded together, and not requiring much finishing work. Their design considerations mainly involve a proper division of segments, spatial angles of suitable sizes, flat and curved surface, the effect of temperature variations (200°-400°C), the problem of abrasion, design and construction errors and their compensation, transportation effects and inspection and maintenance, choice of materials for these parts, etc. Methods of handling these design problems are briefly introduced.

6248

CSO: 4011/115

AUTHOR: WANG Kezhong [3769 0344 1613]

ORG: Department of Economics, Shanghai Fudan University

TITLE: "On Commune-Brigade Industries and Their Readjustment"

SOURCE: Taiyuan JINGJI WENTI [ECONOMIC PROBLEMS] in Chinese No 2, 25 Feb 82 pp 1-6

ABSTRACT: In 1979, China had 1.48 million commune-brigade enterprises with total receipts of 49.1 billion yuan, amounting to 9.2 percent of the value of industrial products of the entire country. These enterprises are, therefore, an important constituent part of China's socialist industries but there is considerable disagreement regarding the role and development of these enterprises. Those who are against these enterprises present 3 reasons: (1) They weaken the foundation of agriculture which is the proper occupation of communes and brigades; (2) They result in a profit transfer, i.e. they reduce the financial earnings of the State; (3) They represent a serious capitalist deviation. The author gives various facts and quotations from Marx and Engels to prove these arguments to be wrong. The argument against these enterprises claiming that they are technologically inferior, they consume too much, and they compete with large industries for raw materials, energy, and other resources is only partially correct. The following improvements are needed: (1) Channels of supply and sale should be gradually established; (2) On the basis of the principle of specialization and cooperation, these industries should be gradually organized into joint enterprises; (3) The State should use policies of lowering or eliminating taxes to support these local industries; (4) Scientific and democratic management of these industries should be implemented to improve the economic benefits.

AUTHOR: ZHANG Huanrang [1728 3562 6245]

ORG: None

TITLE: "On the Function of Commune-Brigade Coal Mines in the Construction of a Foundation of Energy Resource in Shanxi Province"

SOURCE: Taiyuan JINGJI WENTI [ECONOMIC PROBLEMS] in Chinese No 2, 25 Feb 82 pp 12-14, 6

ABSTRACT: To date, Shanxi has 2671 commune-brigade coal mines, employing a total of 103,690 workers, and producing 30.9 million tons of coal (1980), amounting to more than 1/4 of the total coal production of the province. The coal production of these commune-brigade mines of Shanxi is more than the annual coal production of such countries as France or Japan. The cost of producing one ton of coal of these mines is only 6-8 yuan while that of the large State-operated coal mines is as high as 15 yuan. The existing problems of these mines are: (1) Poor safety records: The rate of accident death is 9.9/one million tons. (2) Poor rate of return: The major problem is the supply of mine timber. (3) Problem of sales: As these mines are not allowed to participate in the coal distribution conferences and have no right to include their production in the State's plan, there is no regular channel to sell this 1/4 of the coal production of the province. The paper urges that in the construction of a foundation of coal resources in the province, large, medium, and small mines should all be given proper considerations.

AUTHOR: ZENG Guoying [2582 0948 5391]

ORG: Department of Economics, Nankai University

TITLE: "On the Problem of Mobility of Labor Force in China"

SOURCE: Taiyuan JINGJI WENTI [ECONOMIC PROBLEMS] in Chinese No 2, 25 Feb 82
pp 21-23

ABSTRACT: At present, in some provinces such as Northern Shaanxi, Shanxi, etc. there are so-called man-made plains. At a high cost of 300-500 yuan/mu, the field is leveled and constructed in areas inconvenient to irrigate and the yield is low. In other provinces, such as Heilongjiang, about 52 million mu of fertile lands are available for reclamation but remain unutilized for lack of labor. The paper discusses 2 possible ways of resolving this problem: (1) Year-long, seasonal, or temporary hire: The paper argues in great length that it is not contrary to socialism for workers to work as hired laborers so long as these workers do not lose their ownership position of the materials of production of their original commune-brigade. Another possible way of labor mobility is for the State to organize migration. The State can help move commune members of over-populated areas, on a voluntary basis, to make a living in areas of rich natural resources with the cost of such migration borne by the individuals and their commune-brigades who are the chief beneficiaries of the move. If necessary, the State may provide a loan or a subsidy. The State will acknowledge the ownership of the resources developed by those who migrated for that purpose and will collect tax from them after a given number of years. As a matter of fact, there have been precedents of such voluntary migration from Hebei and Shandong in recent years to prove it to be entirely practicable.

AUTHOR: None

ORG: Computer Central Programming Department, Shanxi Provincial Accounting Committee

TITLE: "Introducing The Input-Output Method Pilot Project in Shanxi: XI: How to Use Computer to Process the Data of the Input-Output Table"

SOURCE: Taiyuan JINGJI WENTI [ECONOMIC PROBLEMS] in Chinese No 2, 25 Feb 82
pp 46-inside back cover, 36

ABSTRACT: In 1980, the Shanxi Provincial Bureau of Statistics began to try to compile an input-output table of the entire province of 1979. The authors took over the responsibility of processing the data of the table. The input-output method uses preestablished mathematical models in the form of tables to examine the production and distribution relationship of the various departments of the national economy and to analyze the compound proportional relationship of these departments. The theory of this method was basically formed in the 40's but it had not been extensively applied until just several years ago because there was no way to apply it without a computer. Flow charts are given to explain the need for a computer to process the data. The use of COBOL, FORTRAN Q and ALGOL languages to write programs for this project is mentioned without actually explaining the process of writing the program or programs, which appear to be still in the process of being perfected.

6168

CSO: 4011/111

AUTHOR: ZHANG Changfa [1728 2490 3127]

ORG: Beijing College of Economics

TITLE: "Several Problems Concerning the Overall Balance Statistics of the National Economy"

SOURCE: Taiyuan JINGJI WENTI [ECONOMIC PROBLEMS] in Chinese No 4, 25 Apr 82
pp 6-9, 13

ABSTRACT: In the course of readjustment of the national economy, overall balance is the basic problem, being an important job of the planning department as well as that of the statistical department. The author affirms the necessity to achieve an overall balance so as to arrange certain important proportional relationships in the national economy for reasonable and harmonious development. The major contents of research on overall balance, for the statistical as well as the planning department should include the various proportional relationships among the various links of production, distribution, exchange, and consumption in the chain of social reproduction. The statistical study provides timely disclosure of the current condition of these relationships. If they are not harmonious, the reasons should be found and improvements suggested. Most importantly, the following relationships should be emphasized: (1) The ratio between production and consumption; (2) The ratio between accumulation [savings] and consumption; (3) The balance between financial capacity and material capacity; (4) Manpower balance. In the second half of the paper, methods used for the statistical research, including the balancing method, the input-output method, the proportional structure method, the ratio of growth method, and the economic mathematical model method, are introduced.

AUTHOR: FANG Yuqin [2075 6735 3830]

ORG: Department of Economics, Shandong University

TITLE: "A Brief Discussion of the Management Principle of Matching Responsibility With Authority"

SOURCE: Taiyuan JINGJI WENTI [ECONOMIC PROBLEMS] in Chinese No 4, 25 Apr 82
pp 10-13

ABSTRACT: At the current stage of development of socialism, the relationship between responsibility and authority also includes benefits to form a three-sided relationship, which is the fundamental principle of organization or management. Within this basic principle, there are several subordinate doctrines: (1) The doctrine of equilibrium between responsibility and authority; (2) The doctrine of clear and precise limit of responsibility and authority; (3) The doctrine of indivisibility of the final authority; (4) The doctrine of absoluteness of responsibility. Various aspects of these doctrines are expounded in some detail in the paper.

AUTHOR: NIU Yangyu [3662 7402 5148]

ORG: Office of Financial and Economic Leadership Group, Chinese Communist Party
Shanxi Provincial Committee

TITLE: "On the System of Economic Management and Economic Responsibility"

SOURCE: Taiyuan JINGJI WENTI [ECONOMIC PROBLEMS] in Chinese No 4, 25 Apr 82
pp 14-16

ABSTRACT: The system of economic responsibility developed as a result of the system of capitalist private ownership, especially the merchandize economy. It has become the basic principle of economic management. There is no way to carry out the function of management without a system of responsibility. The system of economic responsibility includes the economic responsibility system within an economic unit to reflect the production relationship among men and departments; it also includes the relationship of the owner of productive materials and their distributor or user (the manager.) This is the socialist economic responsibility system, and it must be implemented even more strictly in the economic management of a socialist economy than the economic responsibility system implemented in a capitalist society. The reasons are as follows: (1) As the productive materials are owned by all the people who cannot directly control and use them, there arises the problem of having the State, the governments of the various levels, the economic management agencies of the various ranks, and the cadres of the enterprises be responsible to

[continuation of JINGJI WENTI No 4, 1982 pp 14-16]

all the people. (2) As the socialist economy is a planned economy, the various regions, departments, and enterprises are required to shoulder a given portion of economic responsibility toward the entire national economy. (3) In order to meet the needs of society, in terms of producing a given product and increasing the profit, the economic responsibility must be borne by the enterprise, the machine shops, the various shifts, and the workers themselves in that order otherwise there can be no efficient management of the socialist economy. This paper purports to elucidate the need to implement economic responsibility system in the socialist public ownership economy of China although admittedly the system is an outgrowth of the capitalist private ownership system. In conclusion, the paper promises that all that is necessary is to implement the economic responsibility system strictly and extensively in the management of China's economy, a new economic vitality will emerge so that the superiority of the socialist public ownership economy will be even better demonstrated.

AUTHOR: HE Mingdao [6378 2494 6670]

ORG: Party School, Shanxi Provincial Committee

TITLE: "On the Problem of Technical Reform of Industrial Enterprises"

SOURCE: Taiyuan JINGJI WENTI [ECONOMIC PROBLEMS] in Chinese No 4, 25 Apr 82
pp 26-28, 40

ABSTRACT: In the 3 decades since the liberation, China has managed to establish an independent and relatively integral industrial system. There are now close to 400 thousand industry-trade enterprises, with 40,000 billion yuan of fixed assets and 300 billion yuan worth of liquid assets in the country. The effects of leftist thoughts had created an overemphasis on new construction at the expense of technical reform, however. An analysis of the present fixed assets shows that about 1/3 are of the 50's to 60's vintage and 60+ percent are of the 70's. The former is old, backward, wasteful, and excessively polluting. About 37 percent of the advanced equipment introduced from abroad in the 70's are incomplete to cause a considerable portion of the latter to be not fully operable. In view of this sorrowful state of affairs, the author proposes the following: (1) The existing industries must bear the two-fold burden of providing accumulations for the need of modernization construction and proceeding with their own technical reconstruction. (2) In the course of technical reform, the principle of uniting macroeconomic benefits and microeconomic benefits, with the former dominating the latter, must be adhered to. (3) There must be a combination of summarizing the domestic technical experience and absorbing foreign new technologies.

6168

CSO: 4011/106

AUTHOR: None

ORG: Editorial Department of the Journal

TITLE: "Strengthening Correct Guidance Ideology to Raise Economic Benefits"

SOURCE: Beijing QIYE GUANLI [ENTERPRISE MANAGEMENT] in Chinese No 3, 1 May 82
pp 2-3

ABSTRACT: The State Council called a National Industrial Transportation Work Conference in Tianjin with strengthening the guidance ideology to raise economic benefits as the major theme of the conference. Concretely, 3 problems are discussed with emphasis: (1) How to realize a real and not watered-down growth rate this year; (2) How to make real progress in energy resources production, saving, and transfer and in transportation; (3) How to do a good job in readjusting the industries. Under the current condition of gradual readjustment of the management system, the economic structure, and the price formation, in order to raise economic benefits, it is especially necessary to unite production and demand, i.e. organizing production on the basis of the needs of the society. On the one hand, industrial products suitable for sale to the consumers should be produced in greater and greater quantities; on the other hand with market surveys, consumer surveys, increase of rural purchasing power, etc. capital turnover should be accelerated to reduce inventory. Electrical and machine products, durable consumer goods, and pharmaceuticals should be given a nationwide market and blockading these products

[continuation of QIYE GUANLI No 3, 1982 pp 2-3]

[by one region against the products of another region in the country] should not be allowed to protect competition. These and other policy adjustments discussed at the conference are reported. Since this conference [the date of the conference is not given] the various prefectures, departments, and enterprises have been seriously implementing its spirit. The ideology is now more clearly understood by everyone and the key emphases are now better defined. The authors believe because of the conference, this year's industrial production and transportation plans will be definitely better fulfilled.

6248

CSO: 4011/117

AUTHOR: HU Lian [5170 8834]

ORG: "Hydrogeological Survey Standard for Water Supply" Management Group

TITLE: "Facts and Problems of Classification of Group Water Resources"

SOURCE: Beijing GONGCHENG KANCHA [GEOTECHNICAL INVESTIGATION AND SURVEYING]
in Chinese No 3, 22 May 82 pp 37-41

ABSTRACT: The document "Hydrogeological Survey Standard for Water Supply (TJ27-78)" provided a preliminary reform for ground water resources classification. Practices of the 3 years since its enactment have proved that the classification method coincides with the characteristics of the water supply; the concepts are clear; and the nomenclature is accurate. Opinions of related papers published in this journal differ, however. In view of these disagreements, the following explanations are offered in the paper: (1) Under the condition of mining, ground water collects in the direction of the mined source and new sources of supplement are drawn to it also; therefore, an entire water-bearing stratum or aquifer should be given comprehensive consideration and overall planning; (2) The word, "permissible", is added to the term "mining quantity," in the new classification method to express the quantity that is technically, geologically, and economically reasonable. (3) The only way to judge the quality and effectiveness of a classification method is whether it is

[continuation of GONGCHENG KANCHA No 3, 1982 pp 37-41]

scientific and practicable, and the method should be capable of being revised in the course of its application. (4) The term, "ground water reserve," is changed into "ground water resource" in the new method for the purpose of reflecting the dynamic characteristic of the ground water. The term, reserve, is commonly used in connection with solid mineral deposits and has a connotation of being static and unchanging. Under the present condition of confusion regarding the use of technical terminology, It is hoped that the technical terms recommended in the document will gradually be adopted as a tradition as the document is being applied.

AUTHOR: RUAN Miaosen [7086 8693 2773]

ORG: Survey and Prospecting Company, Ministry of Machine Industry, No 5

TITLE: "Application of Finite Element Method in the Change of Water Level Regime for Ground Water Resources Management"

SOURCE: Beijing GONGCHENG KANCHA [GEOTECHNICAL INVESTIGATION AND SURVEYING]
in Chinese No 3, 22 May 82 pp 40-43

ABSTRACT: Understanding the principle of dynamic change of regional water table is an important aspect of managing the ground water resource. At present, the regular technique is to drill a sufficient number of observation holes within the area affected by the mining spot for periodical and long term testing of changes of the water table so as to provide data for analysis. This is an expensive endeavor. With the finite element method, a computer may be used to calculate approximately the regional water table and to predict its dynamic change. It does not mean, of course, that there is no need of any observation holes. When the mathematical model of the extremely complex hydrogeological condition is established, only a limited number of observation holes are to be arranged along the boundary of the first category variable heads to resolve the mathematical model and obtain the known water table. The theory of this finite element method and the related linear equation are introduced.

AUTHOR: LIU Guangcai [0491 1684 2088]

GAO Ming [7559 2494]

YIN Shuren [1438 2885 0086]

ORG: All of Nanjing University

TITLE: "Prospecting of Ground Water in Neotectonic Fracture by α -Trace Method"

SOURCE: Beijing GONGCHENG KANCHA [GEOTECHNICAL INVESTIGATION AND SURVEYING]
in Chinese No 3, 22 May 82 pp 45-50

ABSTRACT: The α -trace method is one of the natural radioactivity prospecting methods. It began to be used in the late 60's to prospect for uranium. Since 1979, the authors have used it to look for water concentrations of neotectonic fractures. The theory, procedure, and mechanism of this method are briefly introduced. Samples of its application in Huamu Brigade of the southern suburb of Nanjing, in Nanjing College of Meteorology, and in Xianhao Gate of Nanjing City are described. The application of the α -trace method in hydrogeology and engineering geology has just begun. There remain some theoretical and practical problems to be discussed and studied in the future.

6248

CSO: 4011/118

Petroleum Exploration

AUTHOR: MA Zuochun [7456 0155 2504]

ORG: Academy of Prospecting and Mining Research, Jianghan Bureau of Petroleum Management

TITLE: "Hydrocarbon Evolution in Permian Series of Hubei Province and Their Prospect"

SOURCE: Beijing SHIYOU KANTAN YU KAIFA [PETROLEUM EXPLORATION AND DEVELOPMENT] in Chinese No 6, 1981 pp 13-18

ABSTRACT: The sedimentary characteristics, the paleogeographicallithofacies, the geochemical indices, the fluorescent property, the oil and gas indications, etc. of the Permian series in Hubei are analyzed. This region is believed, judging from the data of the analysis, to be good oil-producing strata. The lower limit of the oil-producing index is determined. Through various physical and chemical observations, it is also believed that the organic matter of the Permian Series belongs to the highly mature, over-mature, and methane deterioration stages. The hydrocarbon evolution belongs to the late, the late late, and the late damaging stages. Based upon these conclusions, the region is divided into the area to find oil, the area favorable for finding gas, and the area of poor oil and gas contents. The strata of the Permian Series are relatively extensively distributed in Hubei. After years of prospecting, oil fields and gas-containing structures have been found in the border area of Hubei and Sichuan. Oil, gas, and pitch have been discovered in more than 50 spots. The characteristics of the oil and gas of the various spots of the region vary. This is the result of the difference of degrees of thermal evolution of these spots.

AUTHOR: DAI Jinxing [2071 6855 2502]
QI Fahou [2058 4099 0624]

ORG: Both of Academy of Scientific Research on Petroleum Prospecting and Exploration

TITLE: "Evaluation of Gas-containing Potential of Qinshui Basin in View of Gas Formation in Coal Fields"

SOURCE: Beijing SHIYOU KANTAN YU KAIFA [PETROLEUM EXPLORATION AND DEVELOPMENT] in Chinese No 6, 1981 pp 19-33

ABSTRACT: In the process of coal formation, there may be a large quantity of accompanying natural gas and under favorable conditions, this gas may concentrate to become a gas reserve. Based upon this viewpoint, this paper disagrees with the negative opinions concerning the Qinshui basin. The basic geological factors serving as the condition of natural gas formation in this basin are discussed. The total quantity of gas in the coal strata, the quantity of gas capable of being moved from the coal strata and the argillaceous rocks, and the quantity of possible gas concentration are estimated. The paper also points out that the claim that most of the natural gas formed in the coal strata is adhered to the coal is worthy of consideration. The paper positively affirms the opinion that it is possible to find medium and small gas reserves in this basin and suggests ways of proceeding with the prospecting work.

6248

CSO: 4009/329

AUTHOR: LI Xianping [2621 6343 1627]

ORG: Fudan University

TITLE: "A Survey of Quantitative Economics"

SOURCE: Shanghai ZIRAN ZAZHI [NATURE JOURNAL] in Chinese Vol 5 No 4, Apr 82
pp 261-264

ABSTRACT: Following a brief introduction of the historical development of quantitative economics, this paper proceeds to explain its various branches, including the input-output analysis, econometrics, economic control theory, economic forecasting, and economic information science. The input-output analysis, developed by Wassily W. Leontief in the late 30's, is explained in some detail. If the economy to be analyzed may be divided into 3 sectors, the agriculture, the light industry, and the heavy industry, the input-output table of the 3 sectors is illustrated, with the attending equations for computing their interrelationships within the given period of time (assuming to be one year for the purpose of discussion in the paper.) The input-output analysis method was introduced to China in the 50's, but pilot projects did not actually begin until a few years ago. The State Council has authorized the compilation of national input-output tables and some local areas have also been compiling regional tables. The paper predicts that the technique of input-output analysis as well as the other divisions of quantitative economics will soon have a great effect on China's socialist construction.

AUTHOR: WANG Yi [3769 5065]

ORG: Nankai University

TITLE: "Application of Control Theory to Economic Systems"

SOURCE: Shanghai ZIRAN ZAZHI [NATURE JOURNAL] in Chinese Vol 5 No 4, Apr 82
pp 265-268

ABSTRACT: Economic systems should be studied from both aspects of the qualitative and the quantitative and a better result may be obtained if qualitative and quantitative studies are integrated. The modern control theory, developed toward the end of the 50's, has the advantage of being applicable to multi-variable problems and, theoretically at least, to nonlinear problems as well; therefore, it is very useful in quantitative studies of economic systems. Of the various branches of control theory, the most powerful and most frequently applied in the study of economic systems is the optimal control theory while the other branches are also useful. Sample applications of control theory, including problem of distribution of short-supply materials--the static optimal control problem, the production and storage system control--the dynamic optimal control problem, the problem of optimal economic growth--the optimal control problem of the macroeconomic system, etc. are introduced. The author believes that it is important to develop theories of economics suitable for the condition of China, to establish reliable economic data, and to coordinate economics, mathematics, and control theory, if the study of economic system is to have its proper function in the economic construction of China.

6248

CSO: 4011/113

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